

125052

JPRS-SEA-86-042

10 March 1986

## Southeast Asia Report

DTIC QUALITY INSPECTED 2

19980220 155

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
U.S. DEPARTMENT OF COMMERCE  
SPRINGFIELD, VA. 22161

7  
136  
AD7

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

10 March 1986

## SOUTHEAST ASIA REPORT

## CONTENTS

## AUSTRALIA

Farmers Federation Meets With Rural Rebels (Anthony Hoy; THE AUSTRALIAN, 29 Jan 86) .....	1
Farm Body Hits MP's Behavior in Hawke Meeting (Danielle Robinson; THE AUSTRALIAN, 29 Jan 86) .....	2
Editorial Welcomes Farmers' 'New Political Vitality' (Editorial; THE AUSTRALIAN, 29 Jan 86) .....	3
Reports Analyze, Criticize Dollar, Export Problems (Editorial; THE AUSTRALIAN, 29 Jan 86) .....	4
Defense Writer on Significance of Dibb Report (Peter Young; THE AUSTRALIAN, 29 Jan 86) .....	6
ALP Senator on Declining Fortunes of Socialists (George Georges Interview; THE AUSTRALIAN, 29 Jan 86) .....	8

## INDONESIA

Suharto Receives Zambian Planning Minister (ANTARA, 3 Feb 86) .....	10
Official on Trade With East Europe, USSR (MERDEKA, 12 Feb 86) .....	11

## LAOS

Commentary Cites PRC, U.S. Influence on Thai Anti-Indochina Stance (PASASON, 19 Dec 85) .....	12
State Bank Role in Domestic, Foreign Trade Described (PASASON, 19 Dec 85) .....	14

Transport Official: New Economic System Promotes Initiative (PASASON, 24 Dec 85) .....	16
Economic Developments Summarized on 10th Anniversary (Viet Chung; VIETNAM COURIER, No 12, 1985) .....	17
Briefs Vientiane Bank Deposits .....	22
MALAYSIA	
Soviets Buy Less Rubber (NEW STRAITS TIMES, 30 Jan 86) .....	23
NEW CALEDONIA	
Kanaks Divided Over Libyan Connection (Helen Fraser; THE AGE, 17 Jan 86) .....	24
NEW ZEALAND	
Lange Promises Inquiry Into Soviet Ship Sinking (Melbourne Overseas Service, 17 Feb 86) .....	26
Retired Navy Officer on Defense Review (Ian Bradley; THE NEW ZEALAND HERALD, 11 Feb 86) .....	27
McLay Reshuffles National Party Responsibilities (Wellington Staff; THE NEW ZEALAND HERALD, 11 Feb 86) ....	31
PHILIPPINES	
Supreme Court Halts Hearing on Nuclear Plant License (BULLETIN TODAY, 13 Feb 86) .....	36
Marcos Announces Record Palay Harvest (Willie Ng; BULLETIN TODAY, 15 Feb 86) .....	37
Manila Wholesale Prices Fall Slightly (BUSINESS DAY, 18 Feb 86) .....	38
Firms To Take Advantage of Agriculture Benefits (BUSINESS DAY, 19 Feb 86) .....	41
Agricultural Collapse Spurs Unrest, NPA Support on Negros (Gabriele Venzky; FRANKFURTER RUNDSCHAU, 3 Jan 86) .....	43
Military Concerned Over NPA Use of Landmines (Ruben B. Cal; PNA, 12 Feb 86) .....	48



Briefs	
NDF Seeks Aid in Greece	49
Coconut Export Earnings Grow	49
Muslim Attack in Mindanao	49

## THAILAND

Columnist Assesses KPNLF Infighting (Kanching; DAO SIAM, 28 Dec 85) .....	50
Mukdahan Governor Discusses Relations With Laos (Thanom Chalanuwong Interview; MATICHON, 30 Dec 85) .....	51
Editorial Scores Marcos Corruption, Cites U.S. Hearings (NAEO NA, 19 Jan 86) .....	53
Surin Pitsuwan Discusses Restrictions on Philippine Poll Coverage (BANGKOK POST, 10 Feb 86) .....	54
Soviet Ballet Troupe To Get Invitation for King Fete (THE NATION, 10 Feb 86) .....	56
USSR Scholarships Under Study by Officials (THE NATION, 10 Feb 86) .....	58
Peace Movement Actions Aimed Toward Laos, Nuclear Free Zone (THE NATION, 10 Feb 86) .....	59
Reportage Continues on AntiCPM Campaign on Border (Various sources, various dates) .....	60
Strafing by Gunships, by Soemsuk Kasitpradit	60
CPM Headquarters Surrounded	61
Joint Thai-Malaysian Operations	61
Clandestine Radio Station Found	62
Government Troops Into Stronghold	64
Ranger Wounded in Ambush	65
Editorial Calls for Sommai Removal (SIAM RAT, 4 Jan 86) .....	66
Foreign Minister Sitthi Profiled (MATICHON SUT SAPDA, 12 Jan 86) .....	67
SAP Leadership Under Internal Siege by 'Young Turks' (Sompong Tang; THE NATION, 10 Feb 86) .....	69
Third Army Joins Sugar Debate (NAEO NA, 10 Dec 85) .....	71

Editorial Backs Sugar Planters' Protest (NAEO NA, 13 Dec 85) .....	72
Police Official on Economic Returns From Overseas Prostitutes (NAEO NA, 15 Dec 85) .....	74
Survey: Prostitution Major Economic Force in South (MATICHON, 3 Jan 86) .....	76
Editorial Wants Trade, Security Issues Separated (NAEO NA, 19 Dec 85) .....	78
Agriculture Official: Crop Targets, Controls Aimed at Market (BAN MUANG, 31 Dec 85) .....	80
Development Specialist Views Unemployment, Labor Movement (Nikhom Chantharawithun Interview; MATICHON, 20 Jan 86)	82
Columnist Reviews Rice Support Controversy (Ta Mo Lo; BAN MUANG, 22 Jan 86) .....	87
Rice Export Goal Announced at Commerce Ministry (BANGKOK POST, 10 Feb 86) .....	89
Ministry of Commerce Advisor Profiled (MATICHON SUT SAPDA, 2 Feb 86) .....	90
Weapons R&D, Helicopter Monopoly Discussed (LAK THAI, 15 Jan 86) .....	92
Promotion Prospects for Deputy Army Chief of Staff (SU ANAKHOT, 29 Jan-4 Feb 86) .....	94
Briefs Crown Prince Piloting Prowess	98

## VIETNAM

### MILITARY AFFAIRS AND PUBLIC SECURITY

Patrol Unit Stops Attempts To Help Prospective Boat People (Long Khanh; QUAN DOI NHAN DAN, 8 Dec 85) .....	99
Tracing Identity of 'CIA-Trained' Spy Yields Results (Hai Binh; QUAN DOI NHAN DAN, 8 Dec 85) .....	101
Briefs Counterfeit Medicine in Hanoi	104

## INTERNATIONAL RELATIONS, TRADE AND AID

Science-Technology Cooperation Talks With USSR (QUAN DOI NHAN DAN, 5 Dec 85) .....	105
---	-----

### Briefs

CEMA Banking Delegation .....	106
Outer Space Peace Efforts .....	106

## ECONOMIC PLANNING, TRADE AND FINANCE

Ho Chi Minh City Firms Economic Link With Nam Bo Provinces (NHAN DAN, 30 Nov 85) .....	107
---	-----

Utmost Efforts To Be Made To Reduce Production Costs (Editorial; QUAN DOI NHAN DAN, 6 Dec 85) .....	109
--	-----

Rumors of Currency Demonitization, Conversion Derided (NHAN DAN, 12 Jan 86) .....	111
--	-----

Large Scale Diversion of Fertilizer From Cooperatives Deplored (NHAN DAN, 12 Jan 86) .....	112
---	-----

Widespread Illegal Gasoline Sales Persist (NHAN DAN, 19 Jan 86) .....	113
--	-----

Grassroots Failure of Economic Reforms Illustrated (NHAN DAN, 19 Jan 86) .....	114
---	-----

## AGRICULTURE

Haiphong Strives To Lower Agricultural Production Costs (Minh Son; NHAN DAN, 6 Dec 85) .....	115
---	-----

### Briefs

Grain Waste .....	119
NEZ Gets 3,240 Families .....	119

## LIGHT INDUSTRY

Editorial Urges Stepping Up Consumer Goods Production (NHAN DAN, 10 Dec 85) .....	120
--	-----

## LABOR

### Briefs

Labor Distribution in Hanoi .....	122
-----------------------------------	-----

POPULATION, CUSTOMS, AND CULTURE

Setting Up Church Choir Group Denounced as Wrongdoing  
(Trong Hung; QUAN DOI NHAN DAN, 8 Dec 85) ..... 123

Unlawful Alcohol Distilling in Thanh Hoa Reported  
(The Nghia; NHAN DAN, 10 Dec 85) ..... 126

AUSTRALIA

FARMERS FEDERATION MEETS WITH RURAL REBELS

Sydney THE AUSTRALIAN in English 29 Jan 86 p 3

[Article by Anthony Hoy]

[Text]

THE National Farmers Federation (NFF) yesterday moved to head off a split in the rural lobby by convening meetings to discuss increasing farmer militancy.

An extraordinary meeting of the NFF's executive committee was followed by a late-night discussion with principals of the militant Canowindra Rural Protest Committee.

The chairman of the Canowindra committee, Mr Peter Ryan, was asked by the NFF president, Mr Ian McLachlan, to organise a rush trip to Canberra after representations made on the committee's behalf by a NFF affiliate, the NSW Livestock and Grain Producers Association (LGPA).

Mr McLachlan earlier this week was reported to have vetoed NFF involvement in a Canberra rally planned by the Canowindra committee for February 14.

Mr McLachlan reportedly said the activities of the committee had been blown out of proportion, that it would cost \$100 a head to organise the rally and that the organisers would not be able to control the demonstration and

safeguard the welfare of participants.

The president of the LGPA in NSW, Mr Michael Tooth, who is also a member of the NFF's executive committee, said yesterday the NFF had been misinformed and had misunderstood the reasons for convening the Canberra rally.

"Those attending the rally will be coming to Canberra to demonstrate that what their farm leaders have been saying is true, that they are in a desperate situation, which is becoming progressively worse," he said.

"The message of the rally will be that if the politicians don't listen to the farming organisations, farmers will become more militant."

The NFF's industrial officer, Mr Paul Houlihan, who earlier this week was sent to Canowindra, NSW, by Mr McLachlan for a preliminary meeting with the rebels, tabled a report on the Canowindra group at yesterday's NFF meeting.

The report is believed to have endorsed the group's credibility, applauded the amount of work it has done and recommended that Mr McLachlan meet it.

Mr Ryan, while awaiting a call from Mr McLachlan yesterday, played down talk of a rural lobby split. He said he had been "quick off the mark" with earlier accusations of NFF inaction since the big farm rally in Canberra last July.

Sections of the media had attempted to play up the alleged split, he said. Matters had not been helped by the "ill-informed comments of paid employees of the farm organisations" on the question of the proposed rally.

"The rural community is going to roll together behind the NFF, irrespective of whether or not Mr McLachlan decides to support the Canberra rally," Mr Ryan said. "We totally support the NFF in its attempts to improve our terms of trade."

He had no dispute with Mr McLachlan.

He said: "I spoke to Ian on Friday and we were in total agreement on the overall direction of the farm lobby. I don't know him that well, and have not yet met him face to face. But everyone I have spoken to has confirmed that he has 100 per cent support in the job he is doing as leader of the NFF."

/9317

CSO: 4200/718

AUSTRALIA

FARM BODY HITS MP'S BEHAVIOR IN HAWKE MEETING

Sydney THE AUSTRALIAN in English 29 Jan 86 p 3

[Article by Danielle Robinson]

[Text]

ONE of the country's most powerful rural organisations yesterday accused two Liberal MPs of deliberate riotous behaviour during a farmers' protest that confronted the Prime Minister, Mr Hawke, in Perth on Monday.

The Primary Industry Association of Western Australia (PIA) yesterday issued a statement condemning federal Liberal MP Mr Wilson Tuckey and State MLA Mr Bill McNee for their "blatant politicking" during the demonstration in the lobby of Perth's Merlin Hotel on Australia Day.

Mr Hawke's 90-minute private meeting with senior rural leaders at the Merlin ended in a rush to the safety of his hotel suite after more than 100 farmers jostled him in the lobby.

The farmers had stormed the hotel to force Mr Hawke to answer their questions after he refused to attend their rally outside the hotel.

But the PIA said Mr Hawke's eventual decision to talk to the angry crowd was cut short by the "hysterical" behaviour of Mr Tuckey and Mr McNee.

The president of the PIA, Mr Winston Crane, said yesterday: "Their image as politicians dived and clearly neither

has come to grips as to how a person holding such a high level of public office should behave.

"The gathering was keen to hear Mr Hawke's statement, having waited patiently outside the meeting room for 90 minutes.

"He was not able to complete his statement due to the incessant shouting and interjections from Bill McNee and Wilson Tuckey."

Mr Hawke had agreed to face the crowd after he had been given an assurance that Mr Tuckey would not use it as a political platform and would stand quietly at the back of the crowd.

But as soon as he began his impromptu address Mr McNee began interrupting with shouts about interest rates and Mr Hawke's "union mates".

Although Mr Hawke asked Mr McNee to be quiet, he continued and soon after Mr Hawke started moving his way through the protesters.

Mr Crane said it was clear that "neither (Mr McNee nor Mr Tuckey) knew how to handle the importance of the occasion and seemed hysterical at the sight of the large media group".

/9317  
CSO: 4200/718

AUSTRALIA

EDITORIAL WELCOMES FARMERS' 'NEW POLITICAL VITALITY'

Sydney THE AUSTRALIAN in English 29 Jan 86 p 8

[Editorial: "The Militant Farmer"]

[Text]

THE angry protest against the Prime Minister by farmers, and a few unwelcome hangers-on, in Perth on Monday was not unexpected. Resentment over a lack of adequate representation with successive federal governments has been building up in rural Australia for years, and the frustration felt by many farmers finally overflowed into easily understandable action.

For Mr Hawke and his government colleagues, the Perth incident may well have marked the dam burst of rural emotions. Australia's farmers are clearly no longer prepared to be ignored by Canberra.

A new and welcome political vitality has taken hold of our "bushies": the complacency which was the hallmark of rural politics has gone and the graziers, the wheat growers, the farmers and all the other bush workers, who know that they produce the exports that keep our economy going, are fed up with the lack of real representation of their problems which they had for so long.

They are fed up with the failure of the National Party to give the rural leadership that it should have done, and

they have shown that they are prepared to turn to organisations like the National Farmers Federation, or to protests like the one in Perth, in an effort to make city-oriented politicians listen to their grievances.

A week ago the rural lobby scored the first significant recent victory in its continuing battle with the Federal Government when Mr Hawke backed down on the fertiliser anti-dumping duty issue and granted the exemption given earlier to West Australian farmers to those in all States.

While that victory undoubtedly spurred on those farmers protesting in Perth, rural Australians must be aware of the possibility of a public backlash against their behaviour should it become too outlandish.

They must also attempt to keep members of other political parties from riding on their coat-tails. The sight of Liberal Party politicians performing for television cameras in Perth did nothing for the farmers' cause.

Unless tight controls are kept on any future demonstrations, farmers risk having their legitimate complaints reduced to the level of a circus.

/9317  
CSO: 4200/718

AUSTRALIA

REPORTS ANALYZE, CRITICIZE DOLLAR, EXPORT PROBLEMS

Sydney THE AUSTRALIAN in English 29 Jan 86 p 8

[Editorial: "Ignoring Realities of an Export Economy"]

[Text]

THE latest economic pronouncements by the Committee for Economic Development of Australia and the National Institute of Economic and Industry Research contain a timely warning for the Government: it is not yet out of the dangerous economic waters it deliberately entered last year.

The reports from these groups drive home the fact that the Government cannot take any comfort from the recent strengthening of the Australian dollar.

The Government must remember that the strengthening of the dollar is not due to any fundamental changes in the state of the economy over the past two months. Instead, the local currency is being buoyed by the backwash produced by the US economy hitting turbulent waters.

This country still faces large balance of payments problems, and a sustained recovery in the dollar will only take place when the international investment community is convinced that the Government is pursuing a consistent set of policies that address the damaging problems now confronting our vital export industries.

It cannot be denied that a big factor behind this country's poor balance of payments position is the low level of prices being received for many of our rural and mineral commodity exports.

Many of the reasons for the weak prices now being received by our commodity exports are beyond the Government's control. Low prices for our mineral exports are a product of a sluggish international economy and excess capacity in many producer countries.

And as the farming community knows only too well, the irresponsible behaviour of the European Economic Community — as it attempts to offload its ever-accumulating rural commodity surpluses — has driven many prices down while, at the same time, making damaging inroads into Australia's traditional overseas markets.

Regrettably, this situation can only worsen now that the agricultural trade war between the United States and the EEC is heating up. Australia's struggling wheat producers in particular will be caught in the cross-fire.

But as the CEDA report in particular makes clear, Australia's place in the world trade stakes has dropped significantly in recent years because of our inability to penetrate new and growing markets.

We have been content to continue riding on the sheep's back instead of pursuing markets for our manufactured goods.



Federal governments – both past and present – must accept much of the blame for this outcome. For too long, for example, governments of all political persuasions have not placed sufficient emphasis on the need to foster the research and development so vital to the emergence of viable, export-oriented high-technology industries.

And many federal governments have thought nothing about weighing our vital export industries down with new and increasing costs. Our rural industries are still paying the bill created by the high protection policies of Coalition governments.

The Hawke Government knows that our precarious balance of payments position can only be rectified if it can successfully tackle these deep-seated problems of our export industries.

It is therefore regrettable to see that the Prime Minister, Mr Hawke, is about to embark on a new economic policy path that will see our farmers and many businesses that are leading consumers of petrol – as well as the long-suffering motorist – paying more for their petrol than they should.

We do not have our priorities in order.

We are not conducting ourselves as exporters. We are not differentiating between those industries which operate purely within the domestic marketplace and those which seek markets abroad.

We do not care when our exports are disrupted by union activity.

Until we heed the warnings issuing from CEDA and other research bodies and take stock of our real economic position we will never attain the international position we have the potential to achieve, sustain and build upon.

/9317

CSO: 4200/718

AUSTRALIA

DEFENSE WRITER ON SIGNIFICANCE OF DIBB REPORT

Sydney THE AUSTRALIAN in English 29 Jan 86 p 9

[Article by Peter Young under the rubric "Defense": "Far Ranging Review or Dutch Auction?"]

[Text]

THE countdown has begun for the Dibb Report on the future force, structure and capability of Australia's armed forces.

The report, which is expected to be tabled in March, will be the single most important review of our defences since the 1976 White Paper brought down by Defence Minister Jim Killen.

The fear, however, is that instead of a similar far-ranging and hard-hitting assessment, all the long-suffering taxpayer may get for his money will be the end result of a series of Dutch auctions.

Defence Minister Kim Beazley shocked and upset the defence establishment last year when he passed over the wealth of experience and talent within the military and the department and gave the awesome task of reshaping our future defences to a lone and relatively unknown academic, Mr Paul Dibb.

Mr Beazley said the reason behind his decision was that Mr Dibb would be free of the pressures of the day-to-day workings of the department. He would, Mr Beazley said, be able to bring a fresh mind to bear on the problems — free of the inter-service rivalry that presently besets defence planning.

Cynics within the services argued that the only reason for the inter-service squabbling is that they have been forced to compete for ever-decreasing resources and that the same result could have been achieved by closeting three up-and-coming lieutenant-colonels or, for that matter, three bright corporals.

The solution to our defence problems, they say, has been known for a long time: more money.

The real reason for the appointment of Mr Dibb, if the truth be known, is that despite earlier requests from former Defence Minister Gordon Scholes, the department has been simply unable — or unwilling — to come up with the goods.

Mr Dibb enjoys a high reputation within the defence community and has had extensive experience within the defence intelligence analysis area. He has, however, no military experience.

More important, Mr Dibb's charter stops short of any input into the department's strategic assessment: the base policy paper which determines whether the threat is from Red Indians, in which case you purchase cavalry horses, or from the Soviets — a threat which would call for a high-tech force structure.

Because of this limitation there were fears right from the start that Mr Dibb's real role was to come up with acceptable ways of rationalising away increased defence cuts. These fears were worsened when, at his initial press briefing, he declared that he felt he could achieve his aim without the need for any additional expenditure.

This confident statement sent a shiver through many of the military. They knew that with so much equipment in the pipeline, bought when the Australian dollar was worth almost a third more than its present value, and with military inflation racing ahead, this simply could not be achieved. Something would have to go.

There was even more worry when Mr Beazley made the pointed remark that Mr Dibb's recommendations would be accepted by the Government only as far as they were "politically and financially feasible".

This led to fears that even though Mr Dibb might come up with soundly based findings, the "cheap option" eyes might be picked out of his recommendations at the expense of his more broadly based conclusions.

Mr Beazley also said that it was the intention that the media and public would be kept well informed of Mr Dibb's progress.

Unfortunately this has not eventuated. What are believed to be eight interim reports, or chapters, have, it is believed, been protected by a security classification as they have been passed around the defence establishment for comment.

It is this interplay between Mr Dibb and the individual services and bureaucracy that has raised fears that we will not get an independent report based on Mr Dibb's appreciation of the situation.

There is widespread concern that instead a sort of bottom line consensus bargain is being arrived at as the papers go to and fro between Mr Dibb and the services.

It is only right and proper that Mr Dibb should seek out the widest of opinions and advice. But by engaging in what some are interpreting as a Dutch auction, he has laid himself and the Government open to charges that they are trying to blunt any later criticism from the military and avoid the sort of political penalty which accompanied the blunt findings of the Cross Parliamentary Committee report on the state of our defences.

Mr Dibb's report is expected to hinge around the fact that

since we are lumbered with the F-18 - which by some form of osmosis has evolved as the centrepiece of a defence policy based on the concept of over-sea strike - priority must be given to the RAAF as the first line of defence.

The Army is expected to lose more manpower and its Armoured Brigade as priority is given to attack helicopters for an Australianised version of what some see as the under-supported American 9th Division Operational Deployment Force.

The lack of armour and the decision not to go ahead with a new Australian-designed armoured fighting vehicle will possibly be rationalised away by the selection of the new Mickey Mouse-style dune buggies used by the Americans.

Hopefully there will be a build-up in the army's air defence capability, but every indication so far is that the divisional and corps organisations needed to provide the necessary back-up for any lightly armed initial response force will be sacrificed.

The navy, however, is expected to come off worst - facing relegation to little more than a coastal surface force dependent on its submarine force for range and any real offensive capability.

Such a stripped-down def-

ence force, based on the questionable theory that the heavily over-committed F-18s of the RAAF could stop any threat on the high seas and that a maritime trading nation such as Australia does not need to protect its sea lanes, is already being seen by many as a dangerous gamble.

Such a general conclusion, which would also be the cheapest option, would undoubtedly have attracted massive condemnation from a generation of generals and a flotilla of admirals.

There is a mass of expertise out there - especially from the pool of recently retired service chiefs. They would literally crucify Mr Dibb and the Minister on the basis of their vastly greater single service experience.

The Government would of course have the support of the air force brass, but the political consequences of such a sustained and informed attack from the champions of the other two services could have proven most embarrassing.

But if, as is believed, Mr Dibb has engaged in a sort of auction in which the services have literally been bought off in a behind-the-scenes bargain battle for their survival, then the Government could point to a consensus that would allow it to safely go ahead with further economies without any political problems.

/9317

CSO: 4200/718

AUSTRALIA

ALP SENATOR ON DECLINING FORTUNES OF SOCIALISTS

Sydney THE AUSTRALIAN in English 29 Jan 86 p 9

[Interview by Anthony Hoy with George Georges, radical Labor senator: "The Flickering Twilight of a Saddened Socialist"]

[Text]

THE expulsion battle against Labor rebel Mr Bill Hartley has highlighted the declining fortunes of the small band of diehard socialists in Labor's parliamentary ranks.

"There is a disenchantment in our quarter," says spokesman, Senator George Georges. "But at the moment we do not have much clout. That is part of our frustration."

Hartley's seemingly inevitable expulsion, Senator Georges claims, will be further evidence that the party — and in particular its right wing — has become autocratic in its control of party affairs, and is completely out of tune with the needs and rights of its membership.

"This is not a defence of Hartley, although I strongly support many of his views," he says. "But there is strong opposition to the way the party is imposing discipline on those of its members who are critical of its performance."

For Georges — well into his sixties, and by no means a Labor power broker, time is almost up in his parliamentary push to advance the socialist cause.

"I'll concentrate more on things that are not crucial to party performance, such as my involvement with the Senate select committee on ani-

mal welfare, and my strong interest in the peace movement," he says.

The senator's disenchantment stems from serious reservations he has concerning the direction Labor is taking. In his words, "It appears to have discarded socialism as an answer. It merely seeks to reform the existing system."

He views Labor's "tampering with financial systems" as "a Liberal Party-type solution to problems with the economy", and regards deregulation of the banking system as a form of privatisation.

"We appear to be drawing from areas of public enterprise," he says. "The discarding of the socialist approach is a great disappointment to me."

Senator Georges is slowing down. He tires easily, and there is a question mark over his health. He has a bad back. He found the pressure of a recent three-day trip with the Senate select committee on animal welfare such that he truly did look — as one of his concerned colleagues remarked — "like death warmed up".

One suspects that even the socialist fire of this Queensland senator has been somewhat quelled.

"My commitment to socialism has been tempered by some doubts relating to individual freedoms in such a highly organised society," he

said. "These doubts are also reinforced by other doubts as to the rights of individuals in our so-called free societies. The capitalist system prides itself on freedom. But such freedom is limited by economic stress and the needs of the majority. But I am still a firm believer in democratic socialism as the best solution to the whole spectrum of our economic problems."

Queensland Premier Sir Joh Bjelke-Petersen can take some credit for lessening the heat of Senator Georges' socialism. The senator is embittered by his experiences at the hands of Bjelke-Petersen and the Queensland police force — and not only by his experiences as a regular guest of Her Majesty in Brisbane's prisons as results of his involvement in street marches and public protests.

"I'm not free to move," he said. "I'm under close attention from Queensland police. In a period of four months I've been asked to pull over and take the Breathalyzer test three times, and have been tested twice."

"I'm beginning to feel like a fugitive in my own State. But I can still deal with Bjelke-Petersen and police oppression. I can fight back by being stubborn and resisting the exercise until they are found to be in error. I find it much more difficult to deal with the opposition I face in my own party."

Senator Georges has worn his commitment to socialism on his chest since his days as a poor and unsuccessful university student in Queensland.

"Socialism attracts young people from poor backgrounds," he says. "It is the only philosophy that can bring about radical change in a society in which young socialists see themselves as having very little place. I have adhered to many of the socialist concepts since my own experiences at a young age."

His Greek father, Arthanasios Georgouras, migrated to Australia in 1916, taking a job at the Wyndham Freezing Works, and later settling in Darwin, where the future senator was born.

He continues to draw on his Greek background "for a broader approach to foreign policy and human attitudes".

"In a sense the sons and daughters of migrants had the benefit of their original culture and the British culture — both of which had reached high levels of achievement in the areas of literature, the arts and philosophy," he says.

"This gave the first generation of migrant children — of which I was one — an advantage over Australians who, by their geographic isolation, were to a certain extent isolated culturally."

The traditional Greek interest in matters political, evidenced by the number of representatives of Greek extraction in the Australian Parliament, rubbed off on George Georges. He attributes a generous portion of his own makeup to the clannish background of the Greeks.

Senator Georges' involvement in political affairs stemmed from his role as an interpreter for his father during the 1930s. "Like other migrant kids I had to become more aware more quickly because of the need to communicate," he recalls. "Our parents spoke little English, and they were disadvantaged by not being well educated."

His socialist beliefs developed at his father's side in the work queues and soup kitchens during the Depression. He remembers only too well the difficulty of surviving.

The eldest son in a family of five girls and two boys, young Georges was "fortunate to get to school" — the primary stages at Ingham in the Queensland cane fields, followed by State schooling in the Brisbane area, and finally Brisbane State High.

After some military training in the Seventh Field Ambulance during the war years and two unsuccessful university stints he drifted into left-wing politics. The young Georges graduated from membership of left-wing political youth groups to the Labor Party in 1944.

His interest in co-operatives and his position as secretary of Queensland's Workers Co-operative Credit Union — with a book membership of 7000 and a handful of branches throughout the State — was his springboard into the Senate in 1968.

After 18 years in Canberra, the senator admits that he has gone the capitalist way and purchased a second home in that city. Most of his family time, however, is spent on his

three-hectare suburban farmlet in Brisbane, where he has resisted the capitalist temptation by spurning the overtures of property developers. He maintains his valuable land parcel for the family menagerie — the basis for his original interest in the area of animal welfare.

"I have always had dogs — a series of Queensland blue heelers and a Labrador that I felt strongly about when it had to be put down. I have an emotional attachment to animals. A gaggle of geese, a couple of horses, and the remnants of the children's pets are still kept on at our Brisbane home."

Since pushing for chairmanship of the animal welfare select committee established by the Democrats, Senator Georges says he is "now better aware of the problems and emotions in the animal welfare area, because superficial investigation has revealed that humans have a very poor attitude to their associated species".

Animal welfare has proven to be a shrewd area for an ageing, frustrated, disenchanted socialist — still intent on making a mark in the parliamentary arena — to hang his hat on. Indeed, animal welfare could well prove to be the high point of his relatively undistinguished Senate representation.

A poor substitute, however, for the glories of the workers' State that might have been. George Georges is with Bill Hartley in spirit. A curse on right-wingers, from a flickering socialist light.

INDONESIA

SUHARTO RECEIVES ZAMBIAN PLANNING MINISTER

BK030850 Jakarta ANTARA in English 0845 GMT 3 Feb 86

[Text] Jakarta, 3 Feb (ANTARA)--President Suharto received Zambian Minister of State for Development and Population Planning Lavu Mulimba at Bina Graha here Monday morning.

During the 30-minute meeting President Suharto gave an explanation of Indonesia's development efforts in general, including development in the field of population.

Minister Lavu Mulimba told newsmen after the meeting that Zambia would like to learn from Indonesia's achievements in tackling its population problem, in particular its family planning program.

He said that he had conveyed a special message from Zambian President Kenneth Kaunda to President Suharto expressing Zambia's desire to learn from Indonesia's achievements in the field of population problems.

According to Lavu Mulimba, Indonesia and Zambia have similar attitudes at international forums as members of the Nonaligned Movement.

On the possibility of concluding an agreement on technical, economic and cultural cooperation, Minister Lavu said that the possibilities are being explored by top officials of both countries.

The Zambian minister of state for development planning affairs arrived here Saturday evening for a visit to Indonesia which is scheduled to last until Sunday, February [no date as received]. He will also meet the coordinating minister for public welfare, the state minister for population and environment affairs, the health minister and the governor of Jakarta. He is also scheduled to visit Yogyakarta and Bali.

Zambia has in 1985 a population of 6.8 million people with a population increase of 3.3 percent a year. The per capita income of this republic is about U.S.\$580 per year.

/9604

CSO: 4213/100

INDONESIA

OFFICIAL ON TRADE WITH EAST EUROPE, USSR

BK150843 Jakarta MERDEKA in Indonesian 12 Feb 86 pp 1, 11

[Text] Jakarta, Tuesday [11 Feb], MERDEKA--Indonesia is giving priority to the promotion of trade relations with East European countries, the PRC, Turkey, Tunisia, Sweden, and Pacific countries. The government has not yet given priority to trade relations with African countries because many problems have to be considered.

Atmono Suryo, director general for foreign economic relations of the Foreign Affairs Department, said this in a hearing with Parliamentary Commission I on Tuesday. According to Atmono Suryo, trade relations with East Europe have had good prospects since Ali Wardhana, coordinating minister for economics, finance, and industry, visited East European countries in 1984 and 1985. "However, there are still many problems to sort out, like the choice of goods to be traded," he said.

Meanwhile, Jamaluddin Yuda, director of international trade relations, said that there are difficulties in conducting trade with East Europe and the Soviet Union because their system is not easily acceptable to Indonesian businessmen. European countries generally prefer barter trade. "Our businessmen find it difficult to accept this system because they prefer payments by bank notes," Yuda said. For example, Romania is very eager to buy oil from Indonesia in exchange for goods.

Nonetheless, Jamaluddin Yuda was convinced that these relations are feasible but not proceeding speedily because steps should be first studied to promote them.

He gave another example of Soviet assistance program for fourth 5-year development plan projects. Yuda said that the Indonesian Government tenders all projects internationally so that any countries can take part. However, not a single East European country or the Soviet Union has ever won such a tender. Indian-Soviet relations are developing smoothly because both countries practice the bank clearing system.

Other European countries want to invest in Indonesia through Indonesian Government banks as guarantors. However, this is not workable because Indonesia's banking regulations do not allow government banks to act as guarantors.

/9604

CSO: 4213/100

LAOS

COMMENTARY CITES PRC, U.S. INFLUENCE ON THAI ANTI-INDOCHINA STANCE

Vientiane PASASON in Lao 19 Dec 85 p 4

[Column: "Endless War Mongering of Thai Rightist Reactionaries"]

[Text] The real actions of Thai power circles from the past to the present confirm that Thai officials operating within their hegemonistic system have made Thailand one of the war mongering countries of Southeast Asia. Thailand continuously hungers for territory and to expand its power, and it loves to wage war continuously. Every country with a common border with Thailand has suffered from the challenging, provocative and aggressive policy of rightist reactionaries in Thais power circles in all eras. In addition, war mongering Thai administrators have totally dedicated themselves to be tools for alien invaders. They have designated Thailand to be a springboard and tool dedicated to imperialistic powers and to be an international reactionary against its neighbors, such as the three indochinese countries.

Among the groups of reactionaries in power and the many groups in many eras that have inherited the Thai system of hegemony, none has expressed itself as openly and faithfully as that of the present rightist reactionaries in Thai power circles, especially the Thais' reactionary military group with Gen Athit Kamlang-ek as supreme commander and Army commander-in-chief and who is its ring leader.

The real actions that they have displayed also clearly confirm their aggression. Their most glaring action is the operation being run to create tensions in Southeast Asia in accordance with the obscurantist plans of the expansionistic and hegemonistic Chinese. For example, in the middle of 1984, after General Kamland-ek visited China, he commanded the Royal Thai Army to invade and seize Ban Mai, Ban Kang and Ban Savang, which are in Pak Lay District, Sayaburi Province in Laos. The Thai rightist reactionaries in Thai power circles also act as attack forces for Beijing reactionaries to carry out an undeclared war against the Kampuchean people. China gives them total assistance, including sanctuaries for the dispersed troops of Pol Pot, in order to obstruct and destroy the development of new lives for the people of Kampuchea. In addition to continuing to promote Thai hegemony, Thai reactionaries are also carrying out policies to stockpile war supplies. In order to achieve their Thai hegemony objectives, they are using the conspiracy between Beijing and Washington about Southeast Asia



to have Thailand as the place for deploying and improving American imperialistic forces in this region. This development is being expressed through military aid to Thailand and the purchase by Thai officials of F-16 (100 A) jet fighters worth 12 billion baht. This aid has impacted Thailand's social foundations in many areas and caused a lot of criticism among the Thai general public. It is also a threat to peace and stability in this part of the world, and has made the situation more violent. The Thai economy is in a grave crisis due to the policy of running trade deficits with the western world, but the reactionaries in Thai power circles still have increased the military budget for this fiscal year by nearly 40 billion baht (39,266,220 baht), which is considered very high for the Thai Ministry of Defense. This is viewed as unnecessary because many countries in Southeast Asia, especially the Indochinese countries, believe in a peace policy and are seeking to get along in unity without war. However, Thai rightist reactionaries are not pleased with that tentative policy and showed their real actions toward the end of November. At that time, Thai reactionary military groups requested additional war supply aid from the Chinese expansionists and hegemonists. The aid includes 14 artillery pieces, 24 Model 59-tanks and other supplies.

Even though all these events have not been completed, they show clearly that the reactionaries in Thai power circles are not letting down in operating by the arms race policy of the imperialists, eternally running after expansionism and power in order to nurture Thai hegemonism and war hungers and to create tensions in this region. This has been an obstacle and goals against the wishes of the people who love peace in this region, including the Thai people who themselves are carrying out the struggle to reduce tensions and promote the trend toward peace. They are seeking to contribute to making Southeast Asia become a region of real peace and cooperation.

12597/12624  
CSO: 4206/55

LAOS

STATE BANK ROLE IN DOMESTIC, FOREIGN TRADE DESCRIBED

Vientiane PASASON in Lao 19 Dec 85 pp 2, 3

[Article: "Growth of State Bank Over Past Decade"]

[Excerpt] The State Bank Commission has been successfully and promptly performing its important duties in finance, currency and loans for production, the distribution of goods and improving the standard of living of the people.

Under the guidance of the party over the past decade, the bank has grown strongly in every area by eliminating private banks and foreign capitalists, and it has become the State Bank of Laos. It has played a role in developing a national bank for the new regime with monopoly control over currency exchange. Banking has been improved by the opening up of provincial and local branches.

After monetary reform and the change from Vientiane currency to the liberation kip on 15 June 1976, the liberation kip bank note was changed on 10 November 1979. This showed a new stage in the growth of our currency system and was politically and economically important in stepping up the destruction of the enemy monetarily.

Our finance and lending are growing along with the opening up of production battlefields, price reform policies, salaries and the economic system.

A wide range of funds and loans are being used to expand production and the distribution of goods.

The nation's entire banking system consists of the central bank, special banks, an international trade bank, provincial banks, the Vientiane Municipality Bank and 91 district banks that are in the service of the political duties of the party and the state. During the past decade, banking organizations and cadres in banks and the number and qualifications of cadres have continuously grown. The number of high echelon cadres has increased by 6 times compared to that in 1975, the number for middle echelon cadres by 1.4 times and that for lower echelon cadres has doubled.

The State Bank has become the sole bank responsible for finance and loans, and its limitations have been raised. This bank is also involved with international loan payments along with the International Trade Bank.

To the present, operational and promotional funds have flowed into the bank, which has enabled it to respond to the financial needs of various working units. Each year cash deposits and loans have increased. As a financial center, the bank has struggled to increase cash revenues to respond to financial needs, such as paying salaries and purchasing forest goods. In the late part of 1984, the distribution of cash increased by 4.2 times compared to that in 1981. The bank has become more and more the center for loans. The State Bank has centralized all funds used in offices and organizations and for personal loans. Annual deposits and operational funds increased by 3.7 times in 1984 compared to 1981. Total deposits from the agricultural area increased by 147 percent, from the industrial area by 29.6 percent, from trade by 5 times, and from personal savings deposits by 6.7 times compared to those in 1981. Along with all this credit, loans have been available for family businesses to improve the standard of living of cadres, state employees and soldiers without using cash. The number of business organizations using forms of noncash payments through this bank increased by 87 percent from 1981 to 1984.

Along with this, the State Bank has started to cooperate widely with the SRV State Bank and the PRK State Bank in organizing foreign currency exchanges. The bank has also provided foreign currency loans and basic foreign currency services.

Presently, the entire commission of the bank and its cadres are working competitively to improve the bank's monetary system in order to make it a leading financial institution. The bank is able to pay its employees with its own profits and to guarantee easy deposits and withdrawals. Cadres are working hard to perform their duties to achieve the projections of the state.

12597/12624  
CSO: 4206/55

LAOS

TRANSPORT OFFICIAL: NEW ECONOMIC SYSTEM PROMOTES INITIATIVE

Vientiane PASASON in Lao 24 Dec 85 p 2

[Article: "Regulations in Line with Economic Development"]

[Excerpt] The Transport Company has been working under a new economic system which specifies in greater detail the duties and rights of enterprises. We are seeing that the new economic system is in line with genuine economic development. The new system specifies more clearly the assets of enterprises. We also have adjusted the real prices for enterprises appropriately. The three areas of finance, production, and bookkeeping and accounting have been explained more clearly. In finance, enterprises have the right to expand their production, based on their capital, and also have the right to select vehicles and equipment to ensure profits and the quality of their products.

The new regulations also specify more clearly and in more detail penalties and the bonuses for creative and more productive enterprises that produce more than projected.

In the future, our transport enterprises will continue to improve and evolve systematically in each area, based on the new economic regulations for ensuring projected production volumes. We also must strongly raise the responsibility of cadres in organization, discipline and understanding state and party policies, and raise the political awareness and skills of state employees in each area to a higher level than formerly.

12597/12624  
CSO: 4206/55

# ECONOMIC DEVELOPMENTS SUMMARIZED ON 10TH ANNIVERSARY

Hanoi VIETNAM COURIER in English No 12, 1985 pp 24-26

[Article by Viet Chung]

[Text]

## Agriculture

With the favourable conditions created by the topography, climate and land, Laos has enormous potentials to develop forestry and agriculture (at present, Laos has 4 million ha of cultivable land and 1.2 million ha of meadow).

Looking back to the days before liberation, the basis of Lao agriculture was a small, self-sufficient agricultural economy with rudimentary farming technique and low labour productivity. There was practically no material and technical infrastructure.

Between 1952 and 1965, the whole country had only 10 tractors. Until the early 70's, water conservancy had been unknown to many people. In the whole country there were about 180 small canals (from 6 to 14 kilometres long each) especially in Vientiane, Luang Prabang, Savanavone, and Sayaboury, enough to serve only about 33,000 ha of field.

The output of food was reduced with every passing year. In 1955, it was 390 kilogrammes per capita; in 1970, 305 kilogrammes; and in 1975, 275 kilogrammes.

In the past, unable to meet the needs of its people, Laos usually had to import food, particularly rice. It imported about 10,000 tonnes of rice every year, not to mention other agricultural products and foodstuffs.

Forestry and fishery were in a similar state. Handicrafts were neglected.

When the Lao People's Democratic Republic was born, the Party and Government saw clearly the difficulties and worked out an orientation for the nation's economic development. The Party advocated developing agriculture and forestry to meet the needs of the people and create the bases for socialist industrialization.

In agriculture, a cooperative movement was vigorously launched, together with the three revolutions in the countryside. Advances were made towards building a new socialist countryside.

Agricultural cooperatives were set up. In 1976, there were nearly 600 cooperatives. At the beginning of 1985, their number stood at 2,546 (accounting for 40 per cent of peasant households). By the end of 1984, five provinces had basically

completed cooperativisation: Huoa Phan, Phongsaly, Xieng Khouang, Ou Dom Say and Champassak.

Many formerly nomadic peasant households in mountain areas have adopted a sedentary mode of life.

Hundreds of agricultural cooperatives have applied new methods of cultivation; especially they have used fertilizers and technical and scientific advances in combination with water conservancy to transform one-crop fields into two-crop fields, thus step by step changing the old method of farming.

Besides agricultural cooperatives, Laos also has thousands of mutual-aid teams that are the initial organizations leading peasants to collectivization.

The Lao Party and State pay great attention to the building of technical and material bases for agriculture. Many old water conservation works have been restored and upgraded. More than 1,000 canals and dams now irrigate and drain about 100,000 ha; 15 big- and medium-size irrigation works have been built. Many of them, namely Hoong Seng, Neum Moun, Neum Houang (Vientiane), Vang He, (Champassak), Manaxay (Khammouane) have been commissioned. From 1976 up to now, the irrigated area has increased 3 times (accounting for more than 20 per cent of the area under rice). In 1982, the irrigated area was 114,200 ha, of which 15,000 ha were irrigated by mechanical pumps. In the whole country there are now 2,000 tractors and pumps.

Factories producing animal feeds and veterinary medicines, and experimental breeding stations have appeared in many places.

Agricultural workers have been trained. Tens of elementary and secondary schools have been set up. Scientific and technical advances have been successfully applied in production. Technical cadres of the Centre for Experimental Study of Rice Strains at Salakhan have studied new rice strains such as IR 848, IR 253 with yields of 3 tonnes per ha. Technical cadres of the ministries of agriculture, forestry and water conservancy have created new rice strains with yields of up to 10 tonnes per ha and 11 kinds of new maize strains with yields of 6 tonnes per ha.

At present, the areas of land under cultivation in Laos total about 900,000 ha; 768,000 ha of rice, 15,000 ha of coffee, 5,000 ha of tobacco, 30,000 ha of maize, 10,000 ha of peanuts, 10,000 ha of manioc, 4,000 ha of soybeans, 7,000 ha of cotton, 10,000 ha of potato and 15,000 ha of fruit trees.

The output of food in 1984 reached 1.3 million tonnes (an increase of 200,000 tonnes compared with 1983), raising the yearly per capita output in the whole country to 354 kilogrammes. At present, Laos is not only self-sufficient in food but has even accumulated some reserves.

Output of agricultural products and industrial crops:

Coffee	: 5,000 — 6,000 tonnes
	per year.
Tobacco	: 4,500 — 6,500 tonnes
	per year.
Peanuts	: 7,000 — 8,000 tonnes
	per year.
Maize	: 25,000 — 30,000 tonnes
	per year.
Beans	: 5,000 — 7,000 tonnes
	per year.

Animal husbandry is also encouraged. Besides animal breeding by peasant households and agricultural cooperatives, the State has set up some breeding farms, and imported foreign breeds. Now the herd of domestic animals in Laos numbers 2,750,000: 1.45 million buffaloes and cows and 1.3 million pigs (in 1984, there was an increase of 50,000 buffaloes and cows compared with 1983).

### Forestry

During 6 years (1976-81) the forestry department conducted surveys of nearly 1 million ha of forest.

At present, the total area of forest and forestland of Laos is 16 million ha. Timber reserves are estimated at 1 billion cubic metres.

Many sawmills have been restored or built anew with a total capacity of more than 200,000 cubic metres per year. There is an annual increase of 30% in the exploitation of valuable forest products such as shellac, cinnamon, and clove.

The country has 41 State farms (8 centrally-run State farms, 13 provincial farms, 10 army farms and, 10 farms run by the forestry department).

### Fishery

In the past, little attention was paid to this branch. Laos being a landlocked country, only freshwater fish are caught. In recent years, the State has started building fishery stations, and industrializing the production of fish: canning industry, fish sauce...

### Industry

Before liberation in 1975, Lao industry mainly consisted of a few factories producing consumer goods. Industrial output accounted for a small part of the national economy.

Some industrial bases were destroyed in the war. Others were destroyed by reactionary forces before they withdrew.

In the face of these difficulties, the Party and State set the following tasks for Lao industry: restoring and enlarging old factories and enterprises, surveying and building important projects (first industry must serve agriculture, forestry, and the people's life), step by step building a balanced and complete agriculture-forestry-industry structure in each district and province.

Every year, the State reserves adequate funds for restoring and building industrial projects.

Many old enterprises have resumed work; 94 per cent of enterprises under the control of the department of industry and handicrafts have undergone socialist transformation; 113 enterprises belonging to reactionary bourgeois have been nationalized and 18 have been turned into State-private joint enterprises.

More than 200 new factories and enterprises have been built. Vientiane, the capital, is now an industrial centre of the country with the following enterprises and factories: modern waterworks with a capacity of 40,000 cubic metres of water per hour (treble the capacity of the old water works; in the coming years it will rise to 120,000 cubic metres per hour); the veterinary-medicine factory producing 3,000 doses per day; the animal feed processing factory producing tens of thousands of tonnes of feed for animal husbandry. Besides, there are rice mills, building-materials plants, a photo printing and developing factory, a sawmill, a pharmaceutical enterprise, and a textile mill producing high-quality products.

In 1984, Laos built the following factories: a prefabricated concrete plant, a modern cement plant, a clinker-grinding plant (10,000 tonnes per year). The Neum Ngeum hydro-electric power station was equipped with one more turbine and its capacity raised from 110,000 kw to 150,000 kw.

Compared with 1976, in 1980 electric power output in Laos increased 3.57 times. The hydro-electric power system in Neum Ngeum alone can supply enough power for home consumption (since 1982, every year Laos exports to Thailand hundreds of millions of kw/h of electric power).

The electric power stations in Pakse, Thakhet, Sooc Pa Luang, Luang Prabang have also increased their output two or threefold.

Hydro-electric stations have been built everywhere in Laos, even in the countryside and highlands. In order to meet future needs, Laos will build hydro-electric stations on the tributaries of the Mekong river. The hydro-electric potentialities of Laos are quite large. According to the Mekong International Interim Committee, Laos can build, in at least 70 places, hydro-electric power stations with seven times the capacity of the Neum Ngeum station.

Industrial output in 1984 increased a great deal compared with 1983:

Tin	29 per cent
Gypsum	17.7 per cent
Soap	46 per cent
Beer	7 per cent
Tobacco	15 per cent

In capital construction, in the first five-year plan, Laos has built 97 projects, 38 of which began operation in 1984; 18 new pumping stations irrigate and drain for 7,050 ha. The "555" cigarette factory in Vientiane produces every month more than 2

million packets of cigarettes, six times more than before liberation. The Sangphaj corrugated-iron factory produces nearly 1 million sheets per year. The engineering enterprises in Vientiane produce hundreds of thousands of farm tools each year. The textile mills in Huoa Phan, Phongsaly and Champassak help satisfy the needs of the people in cloth and towels.

The oldest industry in Laos is tin mining. It was formerly done by manual labour. Now thanks to modern equipment production has been greatly boosted.

Handicrafts are encouraged and have greatly developed. Many co-operatives produce knitwear, fabrics, pottery, and other articles for both export and home consumption.

Because it started from scratch, Lao industry is not yet highly developed after 10 years of building. Since 1981, it accounts for about 10 per cent of the gross national product. In 1983, industrial output value is only one-fifth of that of agriculture.

In the coming years, Laos advocates developing small industry, handicrafts, light industry, processing industry, and the production of electric power and building materials.

### Communications and Transport

Although Laos is a landlocked country, the system of communications by river, road, and air is not adequate.

Before liberation in 1975, communications and transport in Laos were very difficult. The network of roads was insufficient. The provincial roads were usually dirt roads, in some places gravelled. Many bridges were not strong enough for heavy lorries.

Since liberation, tens of thousands of kilometres of roads have been repaired and built. Besides



the old strategic highways (such as Highways 13, 7 and 9) linking various areas of Laos and going as far as the Vietnam border, new roads now link provinces and districts together. At present, the whole country has more than 10,000 kilometres of roads of which 1,550 kilometres are asphalted. In 1984 alone, 277 kilometres of roads were built (70% above target), together with 3 bridges with a total length of 502 metres. Dozens of medium- and small-sized bridges totalling 1,110 metres and thousands of kilometres of roads were repaired.

The expansion of communications facilities creates favourable conditions for good coordination between the central and regional economies, for the rapid circulation of goods, for production, and for travelling.

Waterways: Communications on the Mekong river have been improved; the river has been dredged, ensuring safe boat traffic. On this and other rivers, transportation is mainly done by row boat, motor boat and raft. There are also landing stages where roads are linked with water ways. In

1984, Laos built 34 motor boats of various kinds capable of carrying cargoes of 15 — 100 tonnes.

Air transport: Laos has over 20 airports and airstrips, of which those of Vientiane, Luang Prabang, Pakse, Seno are the largest. Before liberation, air transport companies were in the hands of capitalists. By the middle of 1976, the State nationalized all air transport, set up the State-run "Lao Airlines". Airports were put in good repair and domestic and international flights were restored in the same year.

Although efforts have been made to develop communications and transport in Laos, parts of the country are not yet accessible all the year round. Many portions of road are negotiable only in the dry season. Highways have not extended as far as some towns and localities. Plans for building a network of railways are still only blueprints. In Laos, due to the rugged terrain, and the many thinly populated areas scattered throughout the country, transport and communications are still meeting with many difficulties.

/9317

CSO: 4200/712

JPRS-SEA-86-042  
10 March 1986

LAOS

#### BRIEFS

VIENTIANE BANK DEPOSITS--Since 1985, total savings deposits in the Vientiane Bank from the cadres, military, and state employees of Vientiane Province have amounted to 593,895 kip. Lottery sales have amounted to 593,895 kip. [Excerpt] [Vientiane PASASON in Lao 24 Dec 85 p 1] 12597/12624

CSO: 4206/55

## MALAYSIA

### SOVIETS BUY LESS RUBBER

Kuala Lumpur NEW STRAITS TIMES in English 30 Jan 86 p 6

[Text] Kuala Lumpur, Wed.--A warning by the Soviet Union, traditionally a major buyer of Malaysian natural rubber, that it will purchase less rubber from Malaysia unless the latter buys more Soviet products has become a reality.

Latest statistics show that the Soviet Union's purchases of Malaysian rubber have fallen dramatically almost overnight, with not even a kilo being bought in November last year.

Natural rubber purchases by the Soviet Union began to plunge from October last year when it bought only 114 tonnes, compared with the 6,000 to 7,000-odd tonnes per month it usually buys.

First hint of this development was dropped by Soviet trade representative Vilik Vartanoavich Khchtoian in Vienna in July last year.

Mr Khchtoian had said the Soviet Union had urged Malaysia many times to buy its products by offering to accept even payment-in-kind but the trade imbalance continued in Malaysia's favour.

He said the Soviet Union might instead buy more primary commodities from Indonesia and Sri Lanka with which it had better two-way trade.

The Soviet trade official said his country imported from Malaysia 94,000 tonnes of natural rubber and latex valued at \$253 million and palm oil worth \$287 million in 1984.

He regretted that Malaysia only bought \$40 million worth of fertiliser and medicine the same year.

Malaysia supplied about 60 per cent of Soviet rubber needs in 1983 and this fell to 40 per cent in 1984.

According to official Malaysian figures, natural rubber exports for the first 11 months of last year to the Soviet Union totalled some 69,000 tonnes, compared with about 130,000 tonnes per year in the past few years.

But Mr Khchtoian also said that although the Soviet Union is switching its sources of supply, it still needs to import some high quality Malaysian rubber for certain specialised uses.--Bernama.

CSO: 4200/279

NEW CALEDONIA

KANAKS DIVIDED OVER LIBYAN CONNECTION

Melbourne THE AGE in English 17 Jan 86 p 9

[Article by Helen Fraser]

[Text]

**P**LANs by one Kanak group to attend a conference in Libya next month have highlighted the divisions within the FLNKS (Kanak Socialist National Liberation Front) organisation in New Caledonia.

The moves to send a delegation to a Libyan-sponsored conference of liberation movements in Tripoli are fostered by the FLNKS foreign spokesman, Mr Yann Uregel, but rejected by the rest of the FLNKS leadership.

Mr Uregel is also leader of one of the smaller independence parties, FULK, in the five party FLNKS coalition.

But the Libyan connection, established discreetly over six years ago by Mr Uregel is now proving an embarrassment to the dominant and mainstream independence party, Union Calédonienne.

The UC, established in 1953 is the oldest, most experienced independence party and has an estimated 70 of the FLNKS forces. Since the FLNKS victory in three of New Caledonia's four regional elections last September the UC leadership have focussed on what party leader and FLNKS president Jean-Marie Tjibaou calls the 'green mobilisation' — developing a strong Kanak presence in the economy of the New Caledonian countryside.

Mr Tjibaou is also anxious to demonstrate that the FLNKS can provide responsible government and not to provoke a future right wing French Government into dismantling the recently set up institutions.

FULK, which was formed in the mid seventies after several splits from UC, believes that all offers of aid for the Kanak struggle (so long as they are left wing) should be

accepted regardless of the consequences for the FLNKS reputation and regional support.

The UC issued a statement last week warning that the proposal was not endorsed by the FLNKS executive and that UC would not be associated with it.

Any such trip would be made by Kanaks as private individuals and not as FLNKS representatives, the statement said.

But FULK member and FLNKS spokesman in Melbourne, Mr John Peu said this week that he believed the FULK leadership would go ahead with the trip.

He said the aim was "to make the Kanak struggle known on an international level and to push the Australian Government to take action — they are certainly aware of the problem but they do nothing".

"If we accept this invitation from Libya, Australia will react through fear that the Kanaks could become more extreme.

"It's a diplomatic game-black-mail of the Australian Government — we don't really want to go but it's a game."

Mr Peu was particularly critical of Australia's reluctance in the South Pacific Forum to push the independence issue to the decolonisation committee of the UN or to grant observer status at the Forum for the FLNKS.

A similar publicity seeking trip was made in 1984 when Mr Uregel led 17 FLNKS militants to Libya for a five-week trip that was shrouded in secrecy.

While news of the expedition raised fears in Australia that the 17 were receiving specialist military and explosives training for terrorist type activities in New Caledonia the aim was to shock the South Pacific region, and especially Australia into taking notice of the Kanak struggle.

The late FLNKS leader Mr Elol Machoro, who co-organised the 1984 trip with Mr Uregel, told The Age at the time it was made through anger at the lack of help the FLNKS were getting in the region.

No special use was made of the 17 young men during the FLNKS boycott and disruption of the November 1984 territorial elections and the subsequent destabilisation campaign.

But the criticism from Australia and the region about the FLNKS Libyan connection was to embarrass UC leader Jean-Marie Tjibaou, who denied that the group had received terrorist training.

Mr Tjibaou described the exercise as providing security guard training for the FLNKS Provisional Government which was set up in December 1984: if Australia would offer such training the FLNKS would accept it instead of the offer from Libya, he said.

Mr Tjibaou and the mainstream of the FLNKS have also rejected moves by Mr Uregel to establish a 'Kanak Revolutionary Bureau' in the Libyan capital.

Another UC leader and Minister for Solidarity and Finance in the Kanak Provisional Government Mr Yelwene Yelwene told the Age that the FULK moves had been "disavowed" by the FLNKS executive".

"We've taken part in the elections and we've undertaken a process-we're now busy building independence in the regions. We've got better things to do at the moment than go to Libya".

CSO: 4200/728

NEW ZEALAND

LANGE PROMISES INQUIRY INTO SOVIET SHIP SINKING

BK170842 Melbourne Overseas Service in English 0500 GMT 17 Feb 86

[Text] The New Zealand prime minister, Mr Lange, says there will be an inquiry into the sinking of the Soviet cruise ship, which struck a reef off the northern tip of the South Island. One member of the Soviet crew of the "Mikhail Lermontov" is still missing and believed drowned after an all night rescue operation in heavy rain. All 409 passengers, most of them Australians, and the remaining 329 crew members were picked up from life boats and taken to the capital, Wellington.

Mr Lange said the ship's master and other senior crew would have to stay in New Zealand for an inquiry into how the vessel hit the reef. He said a preliminary inquiry to be finished by the end of the week would cover areas of disquiet about the incident. Mr Lange said [words indistinct] concern would be expressed over the need for an earlier warning to passengers and complications over request for assistance. After striking the reef, the captain of the "Mikhail Lermontov" delayed giving the orders to abandon ship while he tried unsuccessfully to beach the vessel.

/9599

CSO: 4200/698

NEW ZEALAND

RETIRED NAVY OFFICER ON DEFENSE REVIEW

HK141615 Auckland THE NEW ZEALAND HERALD in English 11 Feb 86 p 6

[Article by Royal New Zealand Navy Captain Ian Bradley, ret.: "Argue the Threat First--And Then Take Right Steps"]

[Text] The extraordinary demonstration of the breakdown in communication between a minister and his ministry is but the latest in a series of events which has plagued the Labour Government's attempts to come to grips with the realities of the nation's security and defence arrangements.

The Labour administration inherited an organisation which was ill-equipped to cope with the task that resulted from its decision to make a radical change in New Zealand's foreign policy.

As is now well known and documented, the Ministry of Defence opposed the concept of a nuclear-free New Zealand on the grounds that it would damage our defence relationships and destroy ANZUS.

Support for Lame Ducks

Its worst fears have been realised. Unfortunately there is still no evidence that those responsible for advising the government on these matters had drawn up contingency plans to enable us to overcome the problems which arose, inevitably, from the steps taken by the government to implement its policies.

In circumstances where the military leadership is at odds with the political leadership it is surely the duty of those who cannot accept current policy directives to either "put up or shut up."

Chiefs of staff who feel that the nation is in peril must surely tender their resignations, not wait until they retire to make their frustrations known.

Mr Lange has shown the same determination as his predecessor when it comes to supporting lame ducks. Those who would wish him to take action must appreciate that leaking evidence of their disloyalty simply strengthens his case.

The prime minister, for his part, cannot continue to support both sides in an increasingly futile argument. The principle of civilian control is sacrosanct in a democracy. This principle is as much in the interests of the military as ours.

Although responsibility for this latest fiasco lies squarely with the minister's decision to go public, the current state of the nation's defences results from a situation which has developed over many years.

The military has developed its capabilities within tight budgetary constraints and with more than a little help from its friends, the United States and Australian defence bureaucracies.

The action of the Labour Government in altering the direction of our foreign policy, has cut our military bureaucracy off from its former friends and supporters. The decision to stand alone has demonstrated a weakness which was there all along.

#### Deflecting Criticism

When this government took office it inherited an ammunition supply sufficient for 2 days' combat and combat forces which were heavily dependent upon the ANZUS partners for support.

The forces themselves were run down as the result of years of neglect, bad planning, and lack of foresight and imagination.

The government has finally responded to the clamour for a reassessment of our defence situation by commissioning yet another defence review, which is the traditional method of deflecting criticism of the Ministry of Defence.

In this case, however, the government has broken with tradition in making provision for public input into this review.

The green paper is interesting for, although it sets out some relevant questions which need to be asked, it does not ask the really important questions. More important, it actually pre-empts some questions in order, one assumes, to avoid them being asked.

The government is to be commended on the fact that it is at least making a token gesture towards public participation in the solution of a crisis which is as serious as any that has faced this country in the last 40 years.

The paper is significant for a number of reasons. First, no attempt is made to explain to the layperson what forces we actually have at present, their capabilities, or the history which lies behind them.



## Effectiveness Overlooked

Secondly, although much of the paper provides a simple guide to some of the questions facing the country much of it has been plagiarised from previous reviews of defence.

The most serious omission from this document is any discussion whatever on the effectiveness of our armed forces.

It is assumed throughout that all is well when we all know that all is not well. If a debate is to be held it is necessary for those participating to be appraised of the facts.

Although the acquisition of military hardware is a lengthy process and long lead times are unavoidable there is no evidence whatever that the Ministry of Defence expects or intends that its existing policies will be in any way affected by the review.

The government, in pursuing its own antinuclear policies, which are well documented in the discussion paper, has created a political situation which the senior ANZUS partner refused to accept.

The actions which the United States administration took in respect of the various arrangements which existed between the two countries' armed forces and which were designed to effect a change in New Zealand's foreign policy have failed.

In failing, they have removed the training and support base from our own services. The retiring chief of naval staff deplored the situation in his farewell address recently and said that the Navy could not remain "professional" in the absence of continued "operations with allies." But he admitted that he saw no early resolution of the problem.

There is an argument that says the Navy can survive if it is restructured to cope with the realities of our situation and it is not helpful to those left behind to hear the departing chief say that the end is nigh.

Consider the facts. The Navy consists of a force of four elderly frigates, the remains of a force which was built up in the fifties, in the aftermath of the Second World War and under the umbrella of the British Pacific Fleet of two cruisers, six frigates, and a similar number of mine counter-measure vessels.

## Situation Similar

The government has already announced that it intends to proceed with the acquisition of a tanker support ship.

Its acquisition at this point when the frigates their useful lives seems a remarkably shortsighted decision, unless the decision has already been taken to continue with this type of ship. [as published]

Such a situation preempts the defence review and also suggests that there are no alternative ships available which do not have a reasonable operational range. This is not so.

In the case of the Air Force a similar situation prevails.

The decision to retain strike aircraft, albeit of considerably antiquity, is presaged by the efforts that have been made to overcome the United States' reluctance to furnish the equipment needed to give them a so-called "modernisation," at a cost of over \$100 million.

As regards the Army, the anonymous author writes that the government "has no plans to withdraw from Singapore," the implication being that no meaningful restructuring of the Army can be contemplated.

The Singapore question is the single most important issue facing the defense review. It is not otherwise addressed in the green paper.

As far as the Ministry of Defence is concerned, these are the three important policy decisions which could affect its future and it would appear, from the content of this paper, and from related decisions which the government has already taken, that at the end of the day the review will have achieved the same as all the others we have had in the last 30 years--precisely nothing.

#### Assumption Arrogant

The discussion paper contains further evidence that most of the important decisions which will affect our security for the next 20 years or so have already been taken.

Consider the following quote from the paper: "...the present size and scale appears to be reasonably well in proportion. The forces will continue at their present size and scale...aircraft and ships should accordingly be equipped for and their crews trained for combat roles"--in other words, no significant change in the present force structure is contemplated.

The proper way to consider these topics would surely have been to argue the threat first and then to have discussed ways and means of combating that threat.

The bland and arrogant assumption that what we have was adequate for what we needed under ANZUS is bad enough, but to imply that all we need is to fine-tune force structures to fit them for an entirely different set of circumstances is irresponsible and downright dangerous.

/9599

CSO: 4200/698

NEW ZEALAND

MCLAY RESHUFFLES NATIONAL PARTY RESPONSIBILITIES

HK141621 Auckland THE NEW ZEALAND HERALD in English 11 Feb 86 p 5

[Article by Wellington Staff]

[Text] The leader of the opposition, Mr McLay, acted decisively yesterday to move the National Party further away from the policies of the last National Government. In a sweeping reshuffle of responsibilities, three younger MPs were promoted while three former cabinet ministers were bumped down the rankings.

Among the most spectacular changes was the dumping of the finance spokesman, the Hon Bill Birch. He not only lost his finance spokesmanship, but also fell from his third-ranked position to the 12th ranking in the caucus.

The new finance spokesman is the MP for Manawatu, Mr Michael Cox, who has also been promoted from the second bench in Parliament to the sixth-ranked position in the caucus, and so now has a place on the eight-seat front bench in Parliament.

The two other major promotions were of the MP for Marlborough, Mr Doug Kidd, who is the defence and national development spokesman, and the MP for Selwyn, Ruth Richardson, who is the education spokesman.

Along with the new trade and industry spokesman, Mr Ian McLean, the three MPs appear set to form the core of National's central policy-making group. All have strongly held more-market economic views, and are staunch supporters of Mr McLay's leadership.

Apart from Mr Bolger, the only former cabinet minister to hold on to frontbench positions in the shake-up were the Hon Warren Cooper and the Hon Venn Young, who also hold on to their foreign affairs and social welfare spokesmanships.

Mr McLay appears to have decided a new look line-up of spokesmanships will improve the party's chances of putting its policies to the public more clearly.

He admitted yesterday that one of the reasons Mr Cox had taken over the finance role was his ability to better sell the policies to the public.

The deputy leader of the opposition, Mr Bolger, lost his trade and industry spokespersonship in the changes, to Mr McLean. In turn, he picked up agriculture from Mr McLean.

Among the other losers in the changes are a former Associate Minister of Finance, the Hon John Falloon, who has fallen in ranking from No 7 to No 10, but who holds on to the overseas trade and government spending aspect of the finance spokespersonship.

A former minister of health, the Hon George Gair, has fallen from his fourth-ranked position to No 11, and swapped his labour and employment spokespersonship for health. Both are loyal McLay supporters.

The MP for Rotorua, Mr Paul East, has been promoted from 14th position to ninth, while holding on to his justice spokespersonship.

Mr Cooper holds on to his spokespersonship for foreign affairs, as does Mr Young for social welfare, Mr Kidd for defence, and Ruth Richardson for education.

The senior opposition whip, Mr Don McKinnon, and his junior partner, Mr Robin Gray, both remain in their position, having indicated a willingness to do so.

The MP for Waikato, Mr Simon Upton, has been given recognition with the allocation of an associate economic development spokespersonship, in addition to holding on to his environment and arts position.

The new third member of the finance trio is the first-term MP for Remuera, Mr Doug Graham, who has picked up the taxation and revenue side of the finance role from Mr Cox.

Both have been marked out as hard-working and rising stars within the caucus. They also happen to be staunch McLay supporters.

Others to do well out of the changes include the MP for Whangarei, Mr John Banks, who picks up the local government spokespersonship, and Mr Philip Burdon (Fendalton), who switched from health to customs and associate trade and industry.

Mr Graeme Lee (Hauraki) picks up the conservation spokespersonship while retaining his role as spokesman on family issues and internal affairs.

Another loser in the changes is the MP for Kaimai, Mr Bruce Townshend, who has been dropped from 15th ranking to 24th, but who retains his immigration and associate labour spokespersonships.

Mr Townshend was one of the few MPs who publicly promoted a change in the party leadership when the issue arose towards the end of last year.

The former prime minister, the Rt Hon Sir Robert Muldoon, remains at the bottom of the 38-member caucus list, without a specific responsibility. Immediately above him in the listings are the four MPs who have announced their retirement from politics at the next election, Mr Jack Luxton (Matamata), Mr Rex Austin (Awarua), the Rt Hon Rob Talbot (Ashburton) and the Hon Merv Wellington (Papakura).

The new areas of responsibility and rankings in the National Party caucus are:

Jim McLay (Birkenhead):	Leader, Sis.
Jim Bolger (King County):	Deputy leader, agriculture, legislative (party headquarters liaison).
Warren Cooper (Otago):	Foreign affairs, regional development, resource allocation, South Island development.
Venn Young (Waitotara):	Social welfare, civilian rehabilitation.
Ian McLean (Tarawera):	Trade and industry, industrial development, economic development.
Michael Cox (Manawatu):	Finance (economic policy).
Doug Kidd (Marlborough):	Defence, national development.
Ruth Richardson (Selwyn):	Education, youth issues.
Paul East (Rotorua):	Attorney-general, justice constitutional issues, official information.
John Falloon (Pahiatua):	Overseas trade finance (government spending), state services audit, development Finance corporation.
George Gair (North shore):	Health.
Bill Birth (Franklin):	Labour, employment (policy liaison).
Don McKinnon (Rodney):	Senior whip, state corporations.
Robin Gray (Clutha):	Junior whip, works and development.
John Banks (Whangarei):	Local government, tourism, publicity, recreation and sport.
Philip Burdon (Fendalton):	Customs, associate trade and industry (urban marginal seat liaison).
Roger McClay (Waikeremoana):	Housing.

Tony Friendlander (N. Plymouth):	Energy.
Simon Upton (Raglan):	Environment, arts, associate economic development, science and technology, high technology.
Winston Peters (Tauranga):	Transport, railways, civil aviation and meteorological services, Maori affairs.
Norm Jones (Invercargill):	Police, war pensions, rehabilitation.
Neil Austin (Bay of Islands):	Lands, valuation, fisheries, aquaculture.
Grameme Lee (Hauraki):	Family issues, internal affairs, wildlife, conservation, civil defence, earthquake and war damage, misuse of drugs.
Bruce Townshend (Kaimai):	Immigration, associate labor, associate employment.
Derek Angus (Wallace):	Forests (rural marginal seat liaison).
Doug Graham (Remuera):	Finance (taxation and revenue), disarmament.
Rob Storey (Waikato):	Associate agriculture (Rural Bank), dairy and horticulture.
Roger Maxwell (Taranaki):	Post Office, associate transport, government life, state insurance, friendly societies.
Jim Gerard (Rangiora):	Broadcasting, Public Trust, racing industry.
Denis Marshall (Rangitikei):	Associate agriculture (meat and wool, arable farming).
Katherine O'regan (Waipa):	Consumer affairs, statistics, associate health.
Lockwood Smith (Kaipara):	Associate agriculture (marketing).
Maurice McTigue (Timaru):	Associate regional development, associate south Island development, associate trade and industry, irrigation.

Jack Luxton (Matamata):

Foreign relations, Pacific Island affairs.

Rex Austin (Awarua):

Associate agriculture (apples and pears), fruit marketing and fruit distributors, poultry, apiculture, pork industry, potatoes and vegetables, tobacco and hops, pest destruction, noxious weeds and viticulture.

Rob Talbot (Ashburton):

Government Printing Office, accident compensation corporation.

Merv Wellington (Papakura)

Sir Robert Muldoon (Tamaki)

/9604

CSO: 4200/719

PHILIPPINES

SUPREME COURT HALTS HEARING ON NUCLEAR PLANT LICENSE

HK131625 Manila BULLETIN TODAY in English 13 Feb 86 pp 1, 10

[Text] The Supreme Court stopped temporarily yesterday the Philippine Atomic Energy Commission (PAEC) from further hearing the application for license to operate the Philippine Nuclear Plant in Morong, Bataan filed by the National Power Corp (NPC).

In a resolution, the high court found that bias and prejudgment were exhibited by the PAEC commissioners in hearing the NPC's application.

It cited the documents given out by PAEC to the effect that the nuclear plant is safe and advantageous to the Philippines in terms of benefits that would be derived from its operation.

The petition questioned the competence of the PAEC commissioners in hearing the license application and assailed the conversion of NPC's construction permit into a license to operate.

The petitioners in the case are the Nuclear Free Philippine Coalition and a group represented by former Sen Lorenzo Tanada.

They claimed that the NPC application "has no information regarding the financial qualifications of the NPC, the source of nuclear fuel, the insurance coverage for nuclear damage."

The high tribunal's resolution was written by Justice Efren I. Plana and concurred in by Justices Claudio Teehankee, Hermogenes Concepcion Jr., Ameurфина Melencio-Herrera, Buenaventura de la Fuente, and Serafin R. Cuevas. Justice Vicente Abad Santos wrote a separate concurring opinion, while Justice Hugo Gutierrez filed a separate concurring and dissenting opinion.

Chief Justice Ramon C. Aquino and Justice Lino Patajo dissented from the majority opinion.

In the same resolution, the Supreme Court also ordered the PAEC to reopen its hearings "to give oppositors sufficient time to complete their cross-examination of the expert witnesses...and to complete their (oppositors) presentation of evidence."

/9604  
CSO: 4200/720



PHILIPPINES

MARCOS ANNOUNCES RECORD PALAY HARVEST

HK170848 Manila BULLETIN TODAY in English 15 Feb 86 pp 1, 5

[Article by Willie Ng]

[Text] President Marcos said yesterday that the main crop season from July to December 1985 produced a record palay harvest of 106.4-million cavans, better by 3 percent than the previous record of 1982 and ahead of 1984's 93.3-million cavans by almost 13 percent. He said this production was all the more remarkable in view of the 5,000,000 cavans destroyed by Typhoon Saling in Central Luzon and the Bicol region.

The president, citing a report from Minister of Agriculture Salvador Escudero III, said all regions had bigger harvests in 1985 than in the previous year.

Even the typhoon-racked areas of Central Luzon and Bicol registered gains-- Central Luzon by .6 percent better and Bicol, by 1.3 percent. And seven regions had increments of over one-million cavans, with the Cagayan leading the way with 2.1-million cavans, an increment of 22.2 percent.

The Ilocos region had a 13.7 percent increase of 1.71-million cavans followed by Southern Mindanao with an increase of 1.54-million cavans or 28.3 percent; Southern Tagalog, 1.48-million cavans or 28.3 percent; Western Visayas, 1.39-million cavans or 12.1 percent; Eastern Visayas, 1.35-million cavans or 41.2 percent, and Northern Mindanao, 1.06-million cavans or 49.2 percent.

Mr. Marcos noted that the average yield came to 52.9-cavans per hectare, up 8.2 percent from last year's 48.9 cavans. He said this increase in yield accounted for about 63 percent of the total production increase while expansion of hectarage accounted for the rest.

/9604

CSO: 4200/720

PHILIPPINES

MANILA WHOLESALE PRICES FALL SLIGHTLY

HK181551 Manila BUSINESS DAY in English 18 Feb 86 p 2

["Economic Indicator" column: "Metro Wholesale Prices Dip"]

[Text] The wholesale price index (WPI) for all commodities in Metro Manila fell slightly by 0.79 percent in December 1985 compared to its yearago level, according to the latest data provided by the National Census and Statistics Office (NCSO). The WPI for all items, using 1978 as base year, reached 412.6 index points last December, 3.3 index points lower than the 415.9 index points recorded in the same month in 1984.

The WPI measures the monthly changes in the general price level of commodities at which wholesalers sell their products. It is computed as the ratio between the wholesale prices of various commodity groups during the reference period (1985) and its wholesale prices during the base period (1978).

The factors responsible for the decline were the lower price indices of crude materials except fuel (from 382.7 index points to 294.6 index points), mineral fuels, lubricants and related materials (from 612 index points to 559.4 index points) and chemicals including animal and vegetable oils and fats (from 359.2 index points to 313.3 index points).

The rest of the commodity groups registered the following increases: machinery and transport equipment (13.14 percent), miscellaneous manufactured articles (10.35 percent), manufactured goods classified chiefly by materials (9.81 percent), beverages and tobacco (7.11 percent) and food (3.09 percent).

The average WPI in Metro Manila from 1985 was 409.3 index points, 18.12 percent or 62.8 index points higher than 1984's 346.5 index points.

General Wholesale Price Index in Metro Manila  
(1978 Equal 100)

<u>Year/ Month</u>	<u>All Items</u>	<u>Food</u>	<u>Beverages &amp; Tobacco</u>	<u>Crude Materials except Fuel</u>	<u>Mineral Fuels, Lubricants &amp; Related Materials</u>
1984	346.5	357.3	265.9	356.0	503.7
January	284.9r/	281.5	241.2	307.3r/	412.8r/
February	288.5r/	284.5	244.0	312.9r/	412.8r/
March	290.8r/	287.5	244.3	317.0r/	412.8r/
April	295.3r/	289.1	244.3	325.0r/	412.8r/
May	305.9r/	294.0	250.1	358.2r/	416.5r/
June	344.9r/	339.3	251.9	294.4r/	519.3r/
July	362.1	370.3	268.7	372.6	546.7r/
August	367.0	379.9	277.7	355.6	546.7
September	384.4	413.3	279.6	364.0	546.7
October	404.1	432.2	289.7	396.3	593.1
November	413.7	456.0	293.5	385.8	612.0
December	415.9	459.5	305.4	382.7	612.0

<u>Year/ Month</u>	<u>Chemicals Including Animal &amp; Vegetable Oils and Fats</u>	<u>Manufactured Goods Classified Chiefly By Materials</u>	<u>Machinery &amp; Transport Equipment</u>	<u>Miscellaneous Manufactured Articles</u>
1984	333.9	294.6	274.1	333.1
January	282.5	248.7	236.4	275.2
February	294.2	251.5	236.6	275.4
March	300.4	250.5	237.7	276.5
April	302.5	262.4	246.6	283.4
May	318.3	270.5	254.2	304.8
June	357.6	293.2	257.4	321.2
July	364.1	308.2	271.6	335.5
August	345.6	323.0	294.6	354.6
September	351.8	327.1	302.6	376.2
October	369.3	333.7	315.1	387.6
November	360.8	333.5	318.1	388.1
December	359.2	333.3	318.2	418.3

<u>Year/ Month</u>	<u>All Items</u>	<u>Food</u>	<u>Beverages &amp; Tobacco</u>	<u>Crude Materials except Fuel</u>	<u>Mineral Fuels, Lubricants &amp; Related Materials</u>
1985	409.3	457.9	322.1	325.3	562.4
January	415.8	465.0	305.4	370.2	593.6
February	408.9	454.9	306.6	359.3	579.6
March	414.7	453.4	323.2	365.4	568.4
April	411.4	448.9	323.2	356.7	555.3
May	408.1	448.1	324.0	340.5	555.3
June	407.5r/	453.6	326.1	319.5r/	555.3
July	409.7	462.1	328.9	310.0	554.4
August	403.4	452.0	327.4	299.7	557.2
September	404.6	456.3	327.4	298.1	556.6
October	406.3	460.6	320.4	296.6	556.8
November	409.2	466.3	325.8	292.7	556.6
December	412.6	473.7	327.1	294.6	559.4

<u>Year/ Month</u>	<u>Chemicals Including Animal &amp; Vegetable Oils and Fats</u>	<u>Manufactured Goods Classified Chiefly By Materials</u>	<u>Machinery &amp; Transport Equipment</u>	<u>Miscellaneous Manufactured Articles</u>
1985	337.5	356.3	351.0	441.0
January	356.6	338.9	318.5	417.9
February	345.4	339.7	327.4	418.1
March	363.9	352.1	355.0	426.1
April	363.5	356.6	355.1	427.4
May	348.6	357.4	355.0	438.3
June	338.7	360.0	355.3	442.6
July	334.8	360.2	355.4	448.5
August	323.7	360.3	356.6	448.6
September	319.5	359.7	356.6	453.9
October	320.0	360.7	358.4	453.8
November	322.3	364.6	358.4	455.3
December	313.3	366.0	360.0	461.6

r/ Revised

Source: National Census and Statistics Office (NCSO).

/9604

CSO: 4200/720

PHILIPPINES

FIRMS TO TAKE ADVANTAGE OF AGRICULTURE BENEFITS

HK191547 Manila BUSINESS DAY in English 19 Feb 86 p 9

[Text] Entrepreneurs in agricultural enterprises identified as production priorities may avail themselves of several tax incentives and exemptions in the next taxable year.

Agriculture and Food Minister Salvador Escudero III said that the inter-agency committee on agriculture and trade is now preparing the guideline for submission to President Marcos on or before 31 March.

The guidelines will contain the specifics of how to carry out the recently signed Presidential Decree 2032, also known as the Agriculture Incentives Act of 1986, Escudero said.

Fiscal relief provided under the decree include the reduction of up to a maximum of 30 percent of net taxable income to represent the amount invested by an investor in a new or expanding registered agriculture enterprise.

Existing firms which will engage in either new or expansion of an agricultural project shall also be entitled to tax deductions.

On the other hand, registered agricultural enterprises listed as first priority in the investment priorities plan shall be entitled to a tax credit equivalent to 5 percent of gross sales.

The tax credit shall be effective for 5 years from the date of commercial operation.

Projects listed as second priority will be given a 3.5 percent deduction from gross sales and 2 percent for those listed as third priority.

Farmers' cooperatives and corporations engaged in contract growing with small farmers will have a tax credit of 1 percent.

In case an enterprise suffers a loss within a 10-year period, the net operating loss, inclusive of financial charges of the registered agricultural activity, may be carried over as a deduction from the enterprise's taxable income.

Within 5 years from the date of registration of the enterprise, importations of machinery and equipment and accompanying spare parts shall be totally exempt from tariff duties and compensating taxes.

The decree, however, said the exemptions are in force only if these spare parts, machinery and equipment are not manufactured locally in sufficient quantity, of comparable quality and at reasonable price and that these farm needs are reasonably needed in the registered activity.

Those agriculture enterprises which choose to purchase machinery and parts locally would also be provided tax credit equivalent to the value of the compensating taxes and customs duties that would have been waived had these items been imported.

/9604

CSO: 4200/720

PHILIPPINES

AGRICULTURAL COLLAPSE SPURS UNREST, NPA SUPPORT ON NEGROS

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 3 Jan 86 p 7

[Article by Gabriele Venzky, Bacolod, no date: "You Can't Still Hunger with Weapons—  
As World Sugar Prices Collapse, Sugar Workers on Negros Die"]

[Text] Marivic has trouble balancing her head on her slender neck; her huge eyes in her old woman's face keep falling shut from sheer exhaustion. But then she wakes up with a start and begins to cry. That is the only sign of life the little girl still manages.

Her head is covered with sores; her hairline has receded far above her forehead. Her thin arms and legs are shriveled and covered with scales. It is a picture like the ones we have seen of children dying of hunger in the African Sahel region. But Marivic lives in a country that is fertile and affluent. Marivic lives on the green sugar island of Negros in the southern part of the Philippines. Like her, thousands are going hungry. Each week, the priest of the congregation of San Sebastian at Bacalod alone buries four small children.

Marivic is 3 years old but hardly any bigger than a newborn baby. She weighs just 6.1 kilograms. "It is a miracle that she is still alive at all," says pediatrician Lourdes Espina at the provincial hospital of Negros Occidental. That is where the little girl was brought just in the nick of time, suffering from amoebas, diarrhea and tuberculosis. The parents had not even noticed that the child was severely undernourished in addition. Back home, at the Victorias-Garganera plantation, many of the sugarworkers' children look just like her.

During the past 5 years, Marivic's father has been out of work for 6 months each year and has been working only 2 days a week for the remaining six, earning just DM 3 per day. During the 3 years of her life, Marivic has been fed ricewater mixed with a little evaporated milk. Her mother Angelina is nervously squatting in front of the child's little bed. Just this morning she got news that her seventh and youngest child is at death's door. "We just cannot pay for the hospital," she says anxiously, hardly believing the doctor when she says that the baby will be admitted in any case. "I must try to get some contributions somewhere; used equipment and instruments, too," Dr. Espina says. "We ourselves have next to nothing here."

The ward under her supervision is overcrowded. 6 year-old Carlos, the ninth of 11 children, is squatting on the next bed--in front of it an initially undefinable shape which later turns out to be his 16 year-old brother Antonio. He is apathetic; his eyes are blank and his voice is barely audible. His father and mother are both out of work. For the past 2 years, they have been eating only one meal a day: water with a bit of rice in it.

31 year-old Julieta, the mother of five, is another victim of famine. Her youngest child, Jonathan, is lying there pale and wan. He is 1½ years old and weighs 4.4 kilograms, suffering from tuberculosis, his small teeth corroded. Julieta comes from the Lucia sugar plantation in the northern part of Negros. Together with her husband she earned seven pesos a day there--the equivalent of DM 1.

"On this island nobody would need to go hungry," Dr. Espina says excitedly, "if everything that is here were used properly. But as cynical as it sounds, I think this catastrophe is a good thing because now the government finally has to pay some attention to conditions here."

But there is no chance of that. In faraway Manila there sits a presidential couple which, in the opinion of many Filipinos, has exploited and bankrupted the country during the past 20 years. In view of the upcoming elections they are primarily concerned with assuring their political survival. And those who have profited from the powers that be are doing the same thing--the sugar barons of Negros for example, the really big ones who are in control of the country's sugar monopoly.

"They have not only caused misery for the workers; they have also cheated us," say the planters. But they have only started to complain now that the big profits are drying up. Until then, they really did not care whether the sugar monopoly, which controls the entire sugar trade, opened up its books or not. During the past year, however, the price of sugar on the world market dropped to three cents per pound (the highest price having been 65 cents) and the calorie-conscious Americans lowered the subsidized preferential quotas for the Philippines. The result was that most of the small farmers who own up to 50 hectares of land went bankrupt last year already. This year, it is the big farmers' turn--the seven percent who own more than one-half of the 450,000 hectares of the sugar acreage on the island of Negros.

The Philippines are among the biggest sugar producers in the world, and 65 percent of Philippine sugar comes from the island of Negros. 439,000 of the country's 600,000 sugar workers live there on the plantations of their bosses--disenfranchised and dependent.

In good times, the plantation took care of them after a fashion; but at least they managed somehow. Now the planters let their land go to waste. It no longer pays to do any planting because it costs 11 cents to produce



one pound of sugar. For another thing, there is no money to pay for the planting, since the land banks have either gone bankrupt or are unwilling to extend credit because of the sugar crisis.

Even now--at harvesting and planting time, which used to be a season of full employment--only one-third of the workers has a job. But they work only once or at most twice a week and their pay is far below the minimum wage--3.60 pesos for planting 1,000 cane sugar seedlings, the equivalent of 50 pfennigs and a man cannot plant more than 3,000 seedlings in one day. The murderous job of cutting the sugar cane earns a worker 15 to 18 pesos per ton, which comes to about DM 3 per day. It takes a family of ten a week to rid one hectare of sugar cane of various types of weeds--which will earn them about DM 40. But one kilogram of rice costs six pesos and a kilogram of meat 30 to 40 pesos.

When times were good the planters never thought about planting other crops in addition to sugar so that the people could eat and never paid any heed to the fact that monocultures are particularly vulnerable to the ups and downs of the world market.

Now that times are bad and the unemployed farm workers and their families are slowly dying of starvation some of the planters, like Mayor Lizares of Talisay, are saying without any emotion that "the people just have to see about how to make out." Many of them compassionately, albeit helplessly shrug their shoulders; but only a handful like businessman Daniel Lacson has come up with an idea that goes beyond mere emergency aid but that might really turn things around through the introduction of structural changes, i.e. planting high-value foodstuffs, small animal husbandry and the establishment of small agro-industries.

One obvious condition would be that the farmers voluntarily turn over some of their land to the hungry workers. "What I tell them," says Lacson, "is even if you give up 50 percent of your land, you still stand to gain from it because that is the price you would be paying for preserving peace." The second condition is start-up capital. But things do not look too good on either count. The planters do not want to let go of their land even though they are not working it any longer anyway and as for the Philippine government, it is turning a deaf ear to demands for capital funds. Now, Lacson is negotiating with the World Bank.

In addition, class-conditioned suspicion which no one really ought to indulge in at this late date is making it impossible for the progressive farmers group led by Lacson and the left-wing sugar workers union NFSW to get together. The union, which has come up with a similar plan, is trying to persuade the planters to lease their land to the workers. The land, the union pledges, will be returned once the crisis is past. But so far the union has obtained only 3,000 of the 100,000 hectares which are lying fallow. For another thing, the union does not have enough advisers who might teach the workers who know a lot about sugar but about nothing else how to plant sweet potatoes, soybeans and rice. There is not enough

money for seed and fertilizer and the workers themselves do not have the courage to take a risk with something they know nothing about. Thus, many of them wind up planting what they do know, which is sugar--but that cannot fill their bellies.

Bacolod, the largest city on the island, which once boasted the most millionaires in the Philippines, is run-down and desolate today. The shops are empty because no one has any money to spend. Galleria, the best department store in town, will be closing its doors within the next few days. Walls and fronts of houses are full of red slogans which have been hastily painted over. Those slogans are in praise of the NPA, the communist New People's Army, the communist party of the Philippines and its New Democratic Front and some of them read : "Down with the Exploiters" and "Onward with the Revolution."

In the town square, the bishop of Negros is celebrating an open-air mass because the very large cathedral is still not large enough to accomodate the crowd. The bishop is speaking in the local dialect but there are two words which are easy to understand that keep recurring in his sermon: injustice and social justice.

Bishop Antonio Fortich, whose palace was recently burned down, presumably as a warning, has long since stopped mincing words. "There is no reason why there should be famine and malnutrition here," he says. "But what we have here is brutal exploitation. When we, the Church, demand justice they call us communists and subversives." "The revolution is at our gates," the bishop warns.

The bishop can well understand the workers for taking refuge with the communist NPA in the face of general lawlessness and the conspicuous abuse of power on the part of the authorities. "The rich say they will arm their people to fight against the NPA and the workers," he says sarcastically, "as though one could fight off the budding revolution by force of arms."

The NPA has had its biggest success in the Philippines on the island of Negros. It has grown from 50 guerilla fighters 3 years ago to 500 in 1984 and to 1,000 in 1985. There are another 4,000 part-time fighters who hide out on the plantations and in the slums and, by the bishop's estimate, some 300,000 sympathizers. "For that matter," he says, "most of them are not hard-core communists by any means. All they really want is to live like human beings and to obtain social justice."

The Church, he believes, has an important role to play in this struggle. His young priests, to be sure, are complaining about lack of support from the church hierarchy, from the cardinal in Manila and most of all from Rome. They believe that liberation theology is the right way to go for their country, too, "After all," they say, "the conditions here and in South America are the same," adding that "without the Church the volcano would have erupted long ago."

"There is no hope for us any more," says hungry Marivic's mother Angelina. "But if someone came along to help us, we would follow him." What she means by that, sad to say, seems not to have sunk in--either on the island of Negros or in the rest of the Philippines.

9478

CSO: 4620/25

PHILIPPINES

MILITARY CONCERNED OVER NPA USE OF LANDMINES

BK120803 Manila PNA in English 0735 GMT 12 Feb 86

[By Ruben B. Cal]

[Text] Manila, 12 February (PNA)--Military strategists are quite disturbed with the acquisition by the communist New People's Army (NPA) of land mines.

Although this added capability of the rebels is no match to the awesome arsenal of the Armed Forces of the Philippines (AFP), yet it has posed a threat to government forces engaged in counter-insurgency operations, according to a senior military official who requested anonymity.

"We are looking into this reported use of land mines by the NPA's in the Davao area in southern Philippines," he said. "At this point in time, we are still checking whether the type of land mine used was improvised or otherwise," he added.

During the past 5 days, NPA guerrillas used two land mines in separate ambushes of military convoys despite the presence of armored vehicles. Since the AFP deployed the U.S.-made armored cars last year, the NPA's avoided direct confrontation with the troops.

The armored car is armed with .30 caliber and 7.62 caliber machineguns on its turret. In addition, it is equipped with multiple grenade launchers. It is bullet-proof from small arms fire, making it a menace to rebels in combat areas.

But last Friday, the NPA unveiled its new weapon, a land mine in an ambush in Davao Del Norte Province, slightly damaging an armed vehicle and a land rover.

Again last Monday, 200 NPA rebels ambushed a military convoy after exploding a land mine in Davao Oriental. Killed in the ambush were five army personnel, including a bemedalled scout ranger, Captain Jessie Igot. Their armored car hit a land mine. It was after the armored vehicle was decommissioned when the 200 dissidents opened fire. But in spite of being surprised, the soldiers stood their ground in a fierce 2-hour gun battle until fresh troops arrived.

/12232

CSO: 4200/721

PHILIPPINES

BRIEFS

NDF SEEKS AID IN GREECE--The National Democratic Front [NDF] of the Philippines has asked Greek Prime Minister Andreas Papandreu for assistance against U.S. interference in Philippine affairs. NDF representative (Joven) Montano, during a news conference in Athens, said that the United States is meddling in Philippine affairs the way it did in Vietnam. Montano made the charge at the Athens office of the Union for the Rights and Liberation of People. He said the NDF has 1.5 million members and 30,000 armed followers. [Text] [Manila Far East Broadcasting Company in Tagalog 1000 GMT 14 Feb 86] /9604

COCONUT EXPORT EARNINGS GROW--Export earnings from coconut products increased by 49.9 percent to \$57.48 million last month from \$38.35 million in January 1985, latest figures from the Philippine Coconut Authority (PCA) indicated. According to statistics released by the PCA, the total volume of coconut products exported during January this year reached 198,861 metric tons, in copra terms, reflecting a 222.8 percent increase from 61,202 metric tons exported during the same month last year. On a monthly basis, January's volume was 11.8 percent higher than December 1985's total volume of 177,807 metric tons. Total value for last month likewise indicated an increase of 3.3 percent from the previous month's \$55.65 million. Coconut oil topped the list of coconut export commodities in January, accounting for 116,519 metric tons of the total volume and \$42.95 million of the total value. Copra cake/meal followed with 78,012 metric tons, worth \$7.36 million, while most other coconut products like desiccated coconut, activated carbon and non-traditional export products showed declines in both volume and value. [Text] [Manila BUSINESS DAY in English 13 Feb 86 p 2] /9604

MUSLIM ATTACK IN MINDANAO--Manila, 18 Feb (AFP)--Five people including a 10-month-old baby were killed and three others injured when some 80 men, believed to be Bangsa Moro Moslem separatists, attacked a hinterland village in the southern island of Mindanao, military spokesmen said today. An initial military investigation into the predawn attack on the village of Naga, San Vicente in Davao del Norte Province showed that the armed men had strafed houses before ordering the villagers to leave their homes at gunpoint. Local government militiamen attempted to fight off the attackers, but failed, the spokesmen said. Among the casualties were a militia commander and the village chief. [Text] [Hong Kong AFP in English 0603 GMT 18 Feb 86] /9604

CSO: 4200/720

THAILAND

COLUMNIST ASSESSES KPNLF INFIGHTING

Bangkok DAO SIAM in Thai 28 Dec 85 p 2

[Small World column by Kanching: "The Inside Is Hollow"]

[Text] Until the groups unite, there can be no hope of their achieving results. It's necessary to discuss this in order to form an image of the Khmer coalition groups that are resisting Vietnam. There is no solidarity within the Khmer coalition, just conflicts.

Conflicts have arisen within one of the coalition factions. This is an internal matter within this group. I am referring here to the Khmer Serei of Mr Son Sann. That's correct, Mr Son Sann has lost power.

What has happened within the Khmer Serei? This group does not even have its own country and yet there is an internal power struggle. Where will it get the strength to fight the Vietnamese invaders? The dispute arose when Gen Sak Sutsakhan, the commander-in-chief of the KPNLF, or Khmer Serei, forces, established a Provisional Central Committee in order to support the group. But the eight members of the committee have announced that they are opposed to Mr Son Sann, the leader of the KPNLF. This committee has also talked about controlling all Khmer Serei activities, including military activities.

Such a conflict should not have arisen within a group that is trying to liberate its country. It will not be very long before fighting breaks out within the group. The ones who are overjoyed about this are the Vietnamese, the invaders. They welcome this because it means disaster for their enemies. It took a long time to get the three factions to agree to unite in order to liberate Cambodia. And now one of the groups is splitting apart.

Mr Son Sann, the leader of the Khmer Serei, insists that he still has full power. I think that that is proper, because he is the one who coordinated things with the other two factions and who negotiated to form the coalition in order to liberate Cambodia.

With such a large "hole" within the group, any talk of reaching the goal is meaningless. This is a lesson showing that people will do their utmost to seize power even if it is just a tiny bit of power or false power. If Cambodia did regain its independence, there would probably be even greater turmoil. Such conflicts have arisen even though these people do not have a country. Think how big the "hole" would become if they did have their own country!

THAILAND

MUKDAHAN GOVERNOR DISCUSSES RELATIONS WITH LAOS

Bangkok MATICHON in Thai 30 Dec 85 p 13

[Interview with Thanom Chalanuwong, the governor of Mukdahan Province, in Words From the Masters of the Country column; date and place not specified]

[Excerpts] [Question] Is an attempt being made to develop fraternal relations between Mukdahan and Savannakhet?

[Answer] Yes. This is a very important policy. It is part of the attempt to promote good mutual understanding at the local level. The Lao and Thai can understand each others language. I am a northeasterner. I was born in Khon Kaen. I eat glutinous rice. Even though we live under different administrative systems, the differences between us are very small. We still love and understnad each other just as in the past. I once traveled to Savannakhet Province in Laos with the Netherlands ambassador to Thailand. I had permission from Laos. Together with the party of the Netherlands ambassador, I took a boat to the Lao side on 27 November 1985 in order to turn over the Kabao Islet port to the LPDR. From the help given by these two countries, this port is worth 70 million baht. It is a well-equipped port from which goods can be transported to the towns and villages along the Mekong River. I talked with the director-general of the Lao Organization Department, the directors-general of other departments and the deputy governor of Savannakhet Province, Mr Chidaeng Thammawong. That day, the atmosphere was very friendly. We spoke the same language. We understood each other very well. That is my great hope. I also gave them a letter inviting the governor of Savannakhet Province and members of the provincial administrative committee to visit Mukdahan Province. They knew about this but could not say when they would be able to come.

[Question] What about the rice problem in Mukdahan?

[Answer] The government has already held meetings with provinical governors and provinial commercial officials from throughout the country. This year, we have raised rice prices. The guaranteed price is 3,000 baht per kwian [1 kwian equals 2,000 liters]. That is the law. Last year there were problems and obstacles. The banks are cooperating. I have held meetings in Mukdahan. There isn't anything to worry about. The government has given us an order and we are taking action accordingly. There are no problems with sugar cane. And there are no problems along the border.

[Question] What about the requests that trading points be opened along the Thai-Lao border?

[Answer] I don't know too much about that since I came here only recently. But I have talked with others and some feel that there should be trade between the two countries. They feel that trading points should be opened. Some say that our officials cannot monitor things everywhere and that there might be some smuggling. But if there were free trade, the incomes of the people would probably increase. They say that in the past, Mukdahan's economy was very strong. The villagers and merchants earned a good income. But this is the government's policy, and I must adhere to this policy. If the government asks for my views on this, I will report these things. But so far, it has not asked my opinion. If trade is opened, the export of goods will be monitored very closely. We can set very strict control measures and stipulate which goods are war materials.

Mukdahan's revenues total only 6 million baht a year. Yesterday, I had a chat with the mayor of Mukdahan City. We talked about what should be done. That amount is not sufficient. But I am doing my utmost. I once served as the district officer at Ban Phai in Khon Kaen. Ban Phai Subdistrict had an annual income of 16 million baht, which is more than double the income here. The present income is insufficient to develop Mukdahan City. The budget is very small. Although development is proceeding slowly, we must do our utmost to maintain a clean environment.

11943

CSO: 4207/142



THAILAND

EDITORIAL SCORES MARCOS CORRUPTION, CITES U.S. HEARINGS

Bangkok NAO NA in Thai 19 Jan 86 p 4

[Editorial: "The Leader and the Country"]

[Excerpts] The U.S. House Subcommittee on Asian and Pacific Affairs issued a statement that is of interest worldwide. That is, it stated that there is evidence that President Marcos and his wife have assets in New York and Long Island worth approximately \$250 million, which is approximately 6.5 billion baht.

A spokesman for this subcommittee, which is chaired by Mr Stephen Solarz, stated on television that in his opinion, President Marcos and his wife are guilty of gross fraud. They have cheated the people. This statement on the great wealth of Marcos and his wife was made in the wake of an investigation into the activities of the Philippine president.

The activities of the U.S. House Subcommittee on Asian and Pacific Affairs seem to be aimed at destroying the prestige of Marcos and helping the opposition. This could have a serious impact on the number of votes cast for Marcos in the coming election. These activities will set an example for politicians and dictators elsewhere and remind them that the world is growing smaller and smaller and that even though they may be able to muzzle domestic criticism about their evil activities, they cannot prevent others in the world from speaking out.

This statement will undoubtedly embarrass the people of the Philippines. The leader of their country has been exposed as a crook who has used his power to cheat people and build up his personal wealth, which he has stashed abroad. No matter how vociferously Marcos denies this, it will be difficult for him to erase this image.

11943

CSO: 4207/154

## SURIN PITSUWAN DISCUSSES RESTRICTIONS ON PHILIPPINE POLL COVERAGE

Bangkok BANGKOK POST in English 10 Feb 86 p 4

[Column by Surin Pitsuwan]

[Text]

THAT the presidential election in the Philippines would have a far-reaching repercussion upon the entire Southeast Asian region has been accepted as a basic assumption of security officials and strategists for quite some time now. That it would create an uproar in Bangkok and reflect a Neanderthal attitude towards press freedom of some high-ranking officials has certainly not been anticipated.

The earlier ban on Dr Somkiat Onvimon, the bright new star in Thailand's nightly news constellation, from covering the controversial Philippine elections there has revealed many things about the relationship between the largely free Thai Press and the Thai officials, bureaucratic and political. There is still a great deal of mistrust and a strong desire to keep the Press on a short leash among those aspiring for power and influence. The civilised respect for freedom of the Press is still an exception rather than the norm in our political discourse.

For one thing, the Press is still regarded as a political instrument of politicians and high-ranking bureaucrats to publicise their thoughts and amplify their policies. That is why most of the news items are "official press releases," and the subject matters are invariably the ministers and the directors general of departments. That is also the reason why even in television news we see a hierarchy of power: who should appear first, second and third. Regardless of the public disasters or serious social or economic upheavals around the nation, if the Prime Minister did not show up, or certain military leaders did not find time to pay their visits, there would be no news.

FRESH CONCEPT

What Dr Somkiat has brought to his newscast is a fresh and powerful concept that the public has the right to know what affects them, rather than who is doing senseless things for self-promotion with free publicity. He would rather talk about the birds in the rice fields and the

fish in temple ponds than wasting the precious air time with ridiculous opening ceremonies of mediocre public figures.

Channel 9 News is different from other "news" in many other ways. It tries to show both sides of the story; never content with only the "official" version of the news; always thrusting the microphone at, or training the camera on, the common man, the under-privileged and the downtrodden. If there is a ceremony to cover, the news team would stay behind to ask for reactions from the audience or report on the contents

of the "seminar," the "convention" and the "congress." Most news teams pack up and go back to their offices after the opening speeches are over and the applause die down. But for the Channel 9 news team, that is only the beginning.

What Channel 9 News represents is a different concept of television news reporting that is rather ahead of its time in this country. The team refuses to submit to the directions of people in high places. It used to be that ministers opening some ceremonies in far-away provinces would carry their own news reels back to the capital for TV broadcast upon their return. The "private company newscast" approach at Channel 9 has done away with that ridiculous practice. "Either our show, or no show," it says.

Dr Somkiat and his team have set up a private company, the Pacific Intercommunication Co Ltd, which is responsible for the nightly news programme and the news items during the early morning show. It also attracts its own commercial and advertising revenues during that time slot. It is independent of the station's tight supervision, which is the case with other channels.

According to Mr Chaluay Ruengchan, a new member of Dr Somkiat's team, the rising popularity of Channel 9 News is causing a major reform in the entire TV news management in Thailand now. Mr Chaluay should know, for he had worked as a newscaster at the Army's Channel 5 for many years. It was in fact

considered a coup when he appeared on Channel 9 recently, substituting for Dr Somkiat, who was on assignment abroad.

Channel 9, through Dr Somkiat and his news team, is making it possible for the first time for university academics and non-university intellectuals to present their thoughts and compete for air time to make their cases on controversial political, social, or economic issues. To put it simply, Channel 9 News makes it possible for the public to hear the opposing views, the second opinions or the alternative policies. And that very possibility bothers a large number of

narrow minded people in the bureaucracy and the leadership circles.

With his folksy style, his even-tempered manner of delivery and his firm grips on the issues, Dr Somkiat exudes a sense of authority. For the first time in Thailand's television history, a strong personality is beginning to emerge. With the might of the electronic media, some of the powerful people are becoming quite concerned that he would eventually develop into an influential critic of many nonsenses that are being served up for public consumption.

### PUBLIC PROTEST

The reason for the original ban on Dr Somkiat's trip to Manila was that the Thai TV news reports could affect the friendly relations between Thailand and the Philippines. Later, it was changed to financial reason. In the end it was said to be technical, i.e., the reports would be broadcast during the electricity-saving period on Saturday and Sunday evenings. After a public protest by some academics and strongly-worded editorials in a couple of mass-circulation dailies, the ban was lifted and the news team left for Manila on the morning of the election day, probably too late for any good and thorough coverage of the event.

Critics have pointed out that the real reason behind the ban was that the election coverage would give Dr Somkiat too much publicity and credibility. His independence and neutrality appear to bother some high officials.

It was appropriate that the uproar over Dr Somkiat's role should come in connection with the Philippine presidential election. There is something in common among those in this country who are afraid of independent and neutral reporting and the cronies of the regime who are said to stuff and steal ballot boxes in the Philippine countryside... They are fearful of the truth. That Neanderthal mentality will not survive in this age of enlightened viewers and in this season of democratic sunshine.

CSO: 4200/731

THAILAND

SOVIET BALLET TROUPE TO GET INVITATION FOR KING FETE

Bangkok THE NATION in English 10 Feb 86 p 4

[Text] **THE Foreign Ministry recently asked the Soviet Union to send its world-renowned Russian ballet troupe to perform here as part of the grand celebration to mark the 60th birthday anniversary of HM the King, a Soviet diplomat told *The Nation* yesterday.**

Iouri A. Makarov, first secretary in charge of cultural relations, said the Thai side proposed the participation of the Moscow Bolshoi troupe during a seminar between Thai authorities and cultural attaches from foreign embassies here some two weeks ago.

The performances were planned for January 1988 to mark the inauguration of the Cultural Centre of Thailand, a highlight event to coincide with HM the King's birthday.

Makarov, however, said he felt it is "highly unrealistic for Bolshoi to perform here from technical points of view. But he said he will file a report to Moscow this week to relay the Thai proposal.

He said he would explain the importance of the event in his report and suggested that the Soviet Union send one of its best ballet troupes to join the event.

Informed sources in the Foreign Ministry said the Thai side also plans to hold a Japanese opera and shows on Ramayana epics by the cultural troupes of Thailand, Indonesia and India on the same occasion. The event will last three months from November 1987 to Jan 1988.

France has also been invited to join the celebration.

A well-known Russian ballet troupe was scheduled to perform here last year but the plan did not materialize because the Russians failed to get sponsors for the shows whose returns would be donated to the Thai Red Cross, Makarov said.

He said the embassy had sought sponsorship from the Bangkok Bank whose executives predicted possible loss because the troupe might not be very popular here.

Makarov, however, described as successful a Russian ballet show organized by the Fine Arts Department in Chiang Mai in 1979.

Referring to the Soviet offer to extend 60 scholarships to Thai students to study in the Soviet Union this year, the first secretary said he wrote a letter to the Foreign Ministry on Jan 13 to inform the Thai authorities of the scholarships and enclosed documents on details of the scholarships, including curricula.

"We have about 50 courses of subjects including engineering, medical science, transportation, computer know-hows and industrial knowledge from undergraduate to post-graduate levels," he said.

In his letter, Makarov acknowledged the new rules established last year to govern the extension of Soviet scholarships to Thai students and said it was understood that after the Thai authorities had selected recipients for the Soviet scholarships, a representative from the Soviet Embassy and an official from the Soviet Ministry of High Education would work with the Thai authorities to finalize the recruitment.

He asked the Foreign Ministry to refer the matter to the Soviet side before May, this year.

Makarov confirmed that Director General of the Political Affairs Department M.R. Dhep Devakul recently met Soviet Ambassador Valentine Petrovitch Kassatkine over the question of the Soviet scholarships.

He declined to elaborate.

Makarov said the Russians had no ulterior motives in extending scholarships to Thai students. He denied allegations that representatives of the Soviet Embassy travelled upcountry to recruit Thai students.

"The students interested in securing scholarships sought information from the embassy. We have disseminated our scholarships programme among the Thai citizens," he said, adding that the Soviet Union spent millions of rubles in extending scholarships to students in Asia, Africa and Latin America to study in the USSR.

There are about 100 high education institutes throughout the Soviet Union, according to the first secretary.

He added that the scholarships were designed to provide education opportunities to poor students in various parts of the world.

The Soviet diplomat said the embassy last November sent a draft protocol on cultural, sports and education cooperation for 1986-1987 to the Foreign Ministry but no

pursue the approach of seeking permission to implement part of the protocol as they had done last year. He said that most of the programmes for last year were implemented despite the absence of a protocol.

reply has been given yet.

The draft protocol for 1984-1985 was not signed.

The new draft protocol outlines programmes on exchange of people in various fields as well as the Soviet offer to extend scholarships to Thai students for this year and next year, he said.

It includes exchange of visits between youths and academics of the two countries and organizing exhibitions here.

Makarov said he hopes a meeting will be held between officials of the two countries to review the draft protocol.

"It can be talks at my level or the ambassadorial level," he said.

Nonetheless, he said that if the Thai side was not ready to sign such a protocol, the Russians would

THAILAND

USSR SCHOLARSHIPS UNDER STUDY BY OFFICIALS

Bangkok THE NATION in English 10 Feb 86 p 5

[Text]

THAILAND will consider a Soviet offer to extend scholarships to Thai students if the Russians follow the procedures established last year by the Thai government, a top national security official told *The Nation* yesterday.

National Security Council (NSC) Secretary General Prasong Soonsiri said that the Thai side would be in charge of recruiting students to receive the scholarships from the Soviet Union or any socialist country.

The Department of Technical and Economic Cooperation of the PM's Office will handle the matter, he said.

Prasong said he had no knowledge of the report that the Soviet Embassy had sent a list of 60 scholarships with related details that the Soviet Union intends to extend to Thai students this year.

But he said that the Russians failed to abide by the procedure by submitting the names of some students selected for Soviet scholarships to the Foreign Ministry some time after the ministry had informed the embassy of the newly-established procedure late last year.

The embassy is required to submit the list of scholarships and not recipients or applicants to the ministry, according to the NSC

chief.

Informed sources told *The Nation* that the Russian submitted the name of a female student to the Foreign Ministry and asked for approval for the granting of the scholarship. "It's the only case ever since we have established a set of policy measures to deal with the question of socialist scholarships," one of the sources said.

Before that Political Affairs Director General M.R. Dhep Devakul received a list of 70 Thai students who received scholarships from the Soviet Union for last year.

The NSC chief also quoted an intelligence report as saying that a number of Thai students went over to the Soviet Embassy to apply for scholarships last month because news had spread through the Soviet connections to the students.

But afterwards, Soviet Embassy officials told the students to get permissions to study in the USSR from the NSC, he said.

"This is an incorrect practice which would cause divisiveness among the Thai people," he charged. The Thai government adopted the new policy measures after having found that the embassy recruited Thai students, including those in the Northeast, for its scholarships. The embassy has denied the allegation.

CSO: 4200/731

THAILAND

PEACE MOVEMENT ACTIONS AIMED TOWARD LAOS, NUCLEAR FREE ZONE

Bangkok THE NATION in English 10 Feb 86 p 5

[Text] A Thai peace movement has proposed a joint performance of Thai and Laotian artistes aboard a ferry cruising along the Mekong River to celebrate the International Year of Peace. agreed to it, the festival was expected to come about in October, he said.

Dr Gothom Ariya said recently that the activity should be the highlight of the celebration which would be held throughout the year. Gothom made the proposal in his capacity as a member of the government-appointed working group to prepare the celebration of the International Year of Peace. Gothom said a series of exhibitions to mark the occasion would be organized throughout the country, while a seminar on "Peaceful means in Thai Society" would be held in Bangkok in September.

In addition, he said, Thailand also plans to host an international conference on "Settlement of Conflicts through Dialogues" in August. He added the plan to hold the conference had been welcomed by nations in the South Pacific region which was greatly affected by nuclear tests.

The issue of trade relations between developed and developing countries would be among the topics of discussions during the seminar.

As a member of the Coalition for Peace and Development, a non-governmental organization comprising 20 private agencies, Dr Gothom said the coalition would lobby with the city administration and city legislators to pass a city legislation declaring Bangkok a

"nuclear-free zone" by the end of this year.

Gothom proposed that the bill ban the storage and transportation of nuclear weapons through the city.

CSO: 4200/731

THAILAND

REPORTAGE CONTINUES ON ANTICPM CAMPAIGN ON BORDER

Strafing by Gunships

BK140357 Bangkok BANGKOK POST in English 14 Feb 86 p 1

[Article by Soemsuk Kasitpradit]

[Text] Betong, Yala--Military helicopter gunships strafed suspected positions of the Communist Party of Malaya [CPM] yesterday after an ambush brought the toll of casualties among Thai soldiers to nine in the 5th day of the operation against the Chinese communist guerrillas.

There was no report of damage inflicted on the CPM in the aerial assault which was ordered after an Army-trained ranger was shot and wounded by CPM guerrillas about 20 kilometers northeast of this border town.

Thailand sent troops into the Betong salient last Saturday as part of a joint military operation with Malaysia aimed at wiping out two CPM strongholds suspected to be sited along the border.

Two Thai soldiers were wounded on Saturday and six hurt on Wednesday, mostly victims of booby traps.

Thai Combined Task Force spokesman Lt-Col Kitissak Ditsawinit told the BANGKOK POST yesterday that ground troops were cautiously advancing towards the suspected CPM positions because booby traps were heavily spread in the area.

Malaysian Task Force 083 Chief of Staff Lt-Col Nordin Haji Mohamad Ali said when he visited the Thai military headquarters here yesterday that Malaysia greatly appreciated the joint operation and believed that military cooperation would strengthen in future.

A group of Thai soldiers, to be led by Fifth Army Division Commander Maj-Gen Kitti Rattanachaya, will leave for the Malaysian border town of Kroh on Sunday to join sports events organised by their Malaysian counterparts in the current operation against the CPM.



### CPM Headquarters Surrounded

BK150116 Bangkok BANGKOK POST in English 15 Feb 86 p 1

[Text] Betong, Yala--Government forces have surrounded what is believed to be the headquarters of the Communist Party of Malaya's 8th company following heavy air and artillery bombardment yesterday.

Troops threw a cordon around the camp yesterday evening as the main column of soldiers prepared to launch an all-out attack this morning to seize the camp, some 12 kilometers north of this border town.

Helicopter gunships and longrange artillery bombarded the camp earlier to clear the way for advancing troops in the 6th day of operation to wipe out CPM guerrillas along the Thai-Malaysian border.

Malaysian troops have been positioned opposite the frontier to intercept the guerrillas who might try to flee across the border.

The CPM's 8th company headquarters was found yesterday in a dense jungle only about 500 meters from the border.

Lt-Col Kasidet Nut-amphan, commander of the 2nd battalion of the Nakhon Si Thammarat-based 15th Infantry Regiment which spearheaded the attack, said the camp was strongly reinforced with trenches and bunkers.

Soldiers earlier also found a deserted camp which housed largesized school buildings.

### Joint Thai-Malaysian Operations

HK180630 Hong Kong AFP in English 0601 GMT 18 Feb 86

[Text] Bangkok, 18 Feb (AFP)--Thai troops have asked Malaysian forces to tighten their cordon near their common border as Thai-Malaysian operations against communist guerrillas entered their 10th day today, Thai Army spokesmen said.

They said the request was made yesterday during a meeting between Malaysian Army officials and their Thai counterparts in the Malaysian town of Perak.

Both sides briefed each other about progress in the campaign, the officials said.

According to an agreement reached during the meeting, Malaysian forces will start their offensive against the guerrillas from the outlawed Communist Party of Malaya (CPM) from their side of the border while the Thai soldiers are to prevent the insurgents from sneaking into Thailand.

Malaysia and Thailand have granted each other the right of hot pursuit up to 1 kilometer (0.6 mile) across the border during the current drive, which began 9 February and involves some 1,000 men.

Lt Gen Wanchai Chitchamnong, army commander for the Thai southern region, has said the CPM has an estimated 1,500 guerrillas on the Thai side of the border. He said the insurgents were believed to be more numerous on the Malaysian side.

Meanwhile, spokesmen said a CPM stronghold overrun by Thai troops Saturday was a small communications unit and not the CPM's 8th Company headquarters, the main target in the current drive, as reported.

Thai troops now suspect the camp is located inside Malaysia, less than 1 kilometer (0.6 mile) from the border, the spokesmen said.

A second CPM camp was captured by Thai troops on Sunday. The deserted camp, outfitted with a tunnel, four barracks and a kitchen, was found in jungle about 10 kilometers (6 miles) northeast of the Thai border town of Betong.

One Thai soldier was wounded yesterday by a boobytrap, raising to 15 the number of Thai soldiers wounded in the operation. CPM casualties were unknown, officials said.

#### Clandestine Radio Station Found

BK180129 Bangkok THE NATION in English 18 Feb 86 pp 1, 2

[Text] Betong, Yala--A captured jungle camp of the Communist Party of Malaya (CPM) insurgents north of this border town housed a major CPM clandestine radio station, military sources confirmed yesterday.

Maj Gen Kitti Rattanachaya, Commander of the Fifth Army Division, said the Thai troops found evidence showing that the seized camp, located about 15 kilometers north of Betong, was the base of the so-called fifth special communication platoon of the CPM.

Field military sources said the jungle camp also served as a CPM clandestine radio station which broadcast in Chinese and Malaysian twice daily. Its transmission covered areas throughout Malaysia and several southern provinces of Thailand, according to the sources.

The government troops Thursday launched mortar barrage while helicopter gunships bombarded with rockets on the CPM sprawling camp in the area, designated by the Thai military as "Target 102," driving the insurgents out of their stronghold.

The commander said tilted roofs of the roughly-constructed buildings, which could install antennas on them, in the camp proved that it was the insurgents' communication center. The sources said the CPM radio station could also receive news from the countries sponsoring the outlawed party.

The soldiers found two tanks containing 400 liters of diesel fuel and antennas in the CPM camp, according to the sources.

The captured camp, in which large numbers of booby traps were planted, could shelter about 30-40 CPM insurgents, according to Kitti.

Kitti said the soldiers also discovered a jungle route on the western rim of the camp which was believed to lead to another CPM stronghold of the eighth company located on the Malaysian soil.

He said the ground troops in the captured CPM camp will be reinforced to take full control while trained dogs will be deployed to detect the well-concealed booby traps in the area.

He said the Thai military's failure to spot the CPM eighth company's stronghold on the Thai side of the frontier indicated that the insurgents' base should be located in Malaysia less than 1 kilometer from the common border.

Kitti said Malaysian soldiers, who were previously positioned about 1 kilometer from the frontier, will today start moving towards the Thai-Malaysian border to search for the CPM jungle stronghold.

He said the Malaysian forces will start their offensive against the guerrillas from the Malaysian side of the border while the Thai soldiers will block on the Thai side to prevent the insurgents from sneaking into Thailand.

The Thai soldiers yesterday also captured 10 motorcycles, which were used by the CPM guerrillas to transport their supply to their jungle bases, from a house about 17 kilometers north of Betong.

Kitti said the Thai troops were advancing closer to another target area about 18 kilometers southeast of this border town where more CPM guerrillas than at the fallen stronghold in the north are based.

He expected that the Thai soldiers would reach the target area, codenamed 103, in the next few days.

Meanwhile, a Thai ranger was wounded in a CPM ambush yesterday in the area of the CPM camp, captured by the government force last year, near Bo Nam Ron village, Tambon Tano-maero of this district.

The sources said the government was stepping up the construction of a 16-kilometer-long road from Bo Nam Ron village to the captured CPM jungle camp. However, the workers have completed only a 3-kilometer stretch of the road.

# Government Troops Into Stronghold

BK170219 Bangkok THE NATION in English 17 Feb 86 pp 1, 2

[Text] Betong, Yala--Government troops yesterday moved into a jungle camp believed to be a major stronghold of the 8th company of the Communist Party of Malaya (CPM) to clear the area before taking firm control, a senior military official said.

Maj Xen Kittti Rattanachaya, Commander of the 5th Division, said four Thai troopers were seriously wounded by booby traps, planted by the insurgents, while moving into the CPM camp on the 8th day of the Thai-Malaysian joint operation.

The commander said the large number of booby traps were the main obstacle that slowed down the Thai troops' advance into the CPM stronghold and so far a total of 16 Thai troopers have been wounded during the joint operation.

He said four army-trained dogs will be deployed to detect the booby traps today to avoid any further casualties to the troopers while engineering soldiers will reinforce the area.

He said the troopers found a football field, a tunnel and 27 living quarters, which could shelter about 100 guerrillas, in the compound of the CPM stronghold, located about 15 kilometers north of this border town.

The government ground troops Friday launched a mortar barrage while helicopter gunships bombarded the sprawling camp with rockets and machine-gun fire, driving the insurgents out of their base. The insurgents were believed to have sustained some casualties.

The captured camp was previously believed to be only a satellite base. However, Kittti said the camp might be a major stronghold, called Camp 102, which is the first target of the joint military operation code-named Thaksin 8601.

Helicopter gunships also strafed the sprawling camp with machine-gun fire yesterday to pave the way for ground troops to move into the CPM stronghold, according to field military sources.

They said the Thai commander was waiting for some CPM documents which were believed to be in the seized camp to confirm that the camp was the major stronghold of the CPM 8th Company.

However, the large size of the camp shows that it is one of the CPM's major bases, they added.

The sources said the newly-overrun camp is larger than another CPM stronghold, captured by the government forces last year, in Bo Nam Ron village, Tambon Tano-maero of this border district.

Kitti will today discuss with the Malaysian commander of the 6th Brigade on modification of a plan in which the Malaysian forces might be asked to launch an offensive from the Malaysian side of the frontier in search of another CPM base, believed to be located in the deep jungle less than 1 kilometer from the common border.

Meanwhile, the Thai soldiers yesterday surveyed another deserted CPM camp in the jungle-clad area about 10 kilometers from here, according to the military sources.

The sources said the soldiers found trenches, a tunnel, four living quarters and a kitchen section in the camp but failed to capture the CPM guerrillas. The survey was carried out under a Thai military plan, code-named Thaksin 4302.

#### Ranger Wounded in Ambush

BK130825 Bangkok BANGKOK WORLD in English 13 Feb 86 p 2

[Text] Betong--Armed members of the Communist Party of Malaya (CPM) ambushed a Thai task force, wounding an army-trained ranger here this morning after they became under pressure of the Thai-Malaysian joint suppression operation.

The fresh ambush was reported at about 9:30 am today when a unit of soldiers and rangers was advancing to Target No 3, about 2 kilometers southeast of Betong District.

The ranger, identified as Sawai Laphon, was the ninth person wounded in the battle against the CPM that started late last week.

Col Chuphan Trachu, deputy commander of the combined task force, said that the suppression force faced strong resistance from the CPM at Target No 3.

The Target No 3 in this Thai-Malaysian joint operation is believed to be a CPM camp.

/9604  
CSO: 4200/707

THAILAND

EDITORIAL CALLS FOR SOMMAI REMOVAL

Bangkok SIAM RAT in Thai 4 Jan 86 p 3

[Editorial: "It Would Be Best To Remove Sommai"]

[Excerpts] If the cabinet is reshuffled, we would like to see certain independent ministers replaced. In particular, we think that Mr Sommai Huntrakun, the minister of finance, should be removed. He tends to block the work of the council of economic ministers, which today needs greater flexibility in carrying out its tasks.

Mr Sommai Huntrakun has scored various achievements, including devaluing the baht, revising the tax structure, adjusting interest rates and revising the Banking Act. But we still agree that he should be removed from his position. Because what has happened is that businessmen have become fearful. They are uncertain about what his next move will be and so they have cut back on investments. Because of this, the economy is shrinking. This is creating many problems, particularly in the investment field.

Stated a different way, even though Mr Sommai has worked very efficiently and acted in accord with economic theory, he is too rigid. This has ruined medium and small-scale investments. In such a situation, we feel that it is appropriate to allow inflation to rise somewhat in order to get the economy moving. Even if the cost of goods increases, people will invest more, there will be more jobs and people will have greater purchasing power. The economy in general would expand, and that would be good.

If the cabinet is reshuffled, Mr Sommai should be replaced in order to give the government a new and more vigorous look.

11943

CSO: 4207/154

THAILAND

FOREIGN MINISTER SITTHI PROFILED

Bangkok MATICHON SUT SAPDA in Thai 12 Jan 86 p 42

[MATICHON Profile column: "Air Chief Marshal Sitthi Sawetsila, the leader of the Social Action Party"]

[Text] He was born on 7 January 1919 in Bangkok. He is the son of Prhaya Wan Pharukphichan. The first school that he attended was Saint Gabriel. He later attended Wat Ratchabophit School and Suankulap Withayalai School. Fellow classmates who now hold senior positions included Gen Prem Tinsulanon, the prime minister, Police Lt Chan Manutham, the minister attached to the Office of the Prime Minister, and Lt Suli Mahasanthana, the minister attached to the Office of the Prime Minister.

After completing upper secondary school at Suankulap Withayalai School, he entered the Faculty of Engineering at Chulalongkorn University. But during his second year there, he won an air force scholarship to attend the Massachusetts Institute of Technology (MIT), where he earned his bachelor's and master's degrees in metallurgy. Toward the end of the Second World War, he joined the Free Thai movement and parachuted into Chiang Mai Province.

He served with the Directorate of Aeronautical Engineering from 1948 to 1952. In 1950 he was promoted to flying officer. He was assigned to the Directorate of Education and Training during the period 1952-1953. He then served with the RTAF Directorate of Intelligence from 1953 to 1957. Following that, he was attached to the Department of Central Intelligence, where he served as the deputy director-general for foreign affairs. At that time, he held the rank of group captain. He served at RTAF Headquarters from 1960 to 1974.

Following that, he served as the assistant secretary-general of the National Security Council and then deputy secretary-general of the NSC. He also served as an RTAF advisor with the rank of air marshal. In 1975 he was promoted to air chief marshal and appointed secretary-general of the NSC, where he served until he retired.

After retiring, he entered politics. He was appointed minister attached to the Office of the Prime Minister during the period that Gen Kriangsak Chamanan was the prime minister. When Gen Prem Tinsulanon became prime minister, Air Chief Marshal Sitthi was appointed minister of foreign affairs, a position that he has held from the Prem 1 to the Prem 4 government.

He has participated wholeheartedly in politics. He joined the Social Action Party and was elected MP from Bangkok Metropolitan in 1983. He represented the same district as M.R.W. Khukrit Pramot, the leader of the SAP. When M.R.W. Khukrit resigned his position as party leader, he was appointed acting leader of the SAP.

He is married to Lady Thida Sawetsila. They have two sons and two daughters.

11943

CSO: 4207/142



THAILAND

SAP LEADERSHIP UNDER INTERNAL SIEGE BY 'YOUNG TURKS'

Bangkok THE NATION in English 10 Feb 86 p 4

[Article by Sompong Tang]

[Text]

**FORMER Social Action Party (SAP) leader Boontheng Thongsawat has asked M.R. Kukrit Pramoj to make a comeback as party leader and a number of dissident SAP MPs have signed a petition calling for the return of former secretary general Boonchu Rojanastien to a prominent party role, according to some dissident party MPs close to Boontheng.**

The stir-up in the party over the last 10 days was seen as the start of a manoeuvre to undercut and finally overthrow the present interim party leadership led by ACM Siddhi Savetsila.

The dissident campaign was launched with a bang — and there were reasons why it appeared a weird movement — but as it turned out over the past few days, the opposition to the present leadership has been losing strength. This, despite the latest strong statements by dissident Payao MP Chawaeng Wongyai, who vowed that the dissident group will work for the ouster of the party leadership in a party meeting which the disgruntled MPs plan next week.

The dissident MPs called themselves SAP Young Turks. But who are SAP Young Turks and how many are they? The self-dubbed label is actually not a novel name in the party circles.

When M.R. Kukrit was still party leader, he used to asked in a party meeting: "Anybody who is a Young Turk, raise your hand. Let me see who are the Young Turks." None of the MPs raised his hand in the meeting.

Dissident SAP MP from Lamphun Samarn Chomphuthep, however, has a different story to tell. He claimed there are up to 46 members in the grouping and that they are mainly made up of northern and northeastern MPs. The group ideology, he said, is to eliminate "still and pungent water" in the party. He elaborated that a handful of people and "capitalists" had all along dominated the party and decisively influenced most party resolutions.

In his own words, the current conflicts in the party boiled down to a rift between a group of executives — caretaker party leader Siddhi Savetsila, acting secretary general Thongyod Chittavira and former secretary general Pong Sarasin — and the majority of party MPs who want more democracy to take root in the party life.

A closer look into the stirrings over the past 10 days, however, reveals interesting dimensions. The latest ripples started at a party meeting on Jan 30 during which a group of dissident MPs staged a walk-out to protest a decision by Thongyod that the party leader would consult with SAP ministers over the appointment of their secretaries. The dissident MPs managed to get the meeting to endorse their call for a sweeping replacement of all the 26 political posts allocated to SAP MPs: the deputy secretary general to the prime minister, 15 secretaries and deputy secretaries to the SAP Cabinet members and 10 other political appointees attached to the PM's Office.

The motion was proposed by Sukhothai MP Kusol Meethep. Thongyod, citing a party regulation, said Kusol's motion was automatically dropped because Udon Thani MP Surachart Chamnarnsilp proposed another motion calling for partial changes in the political posts during the deliberation on the first motion. The regulation provides that if a meeting is debating on a motion and another motion on the same subject was proposed, the first motion will be automatically dropped.

Buriram MP Chai Chidchob, a Young Turk MP, admitted the regulation was there but argued in the meeting that Surachart's motion was not in order because it had not been submitted to the party 15 days in advance and therefore, the party resolution endorsing Kusol's motion was valid.

After the walk-out, a group of Young Turk MPs huddled at the Hyatt Central Plaza Hotel

the same evening and decided to detail representatives to talk the issue out with the party leader.

The representatives went over to Siddhi's residence in Soi Aree Saturday afternoon (Feb 1) but were denied access. Dissident MPs then said the failure fuelled the dissension. Ubon Ratchathani MP Toon Chintaves, also a Young Turk member, said he believed the conflict will snowball unless the party executives are more realistic. He charged that while the executives called on the rank and file to follow discipline and party resolutions, they themselves ignored party resolutions.

Another Young Turk MP charged that Siddhi did not have self-confidence because he turned to either Thongyod or deputy secretary general Montri Pongpanich for consultations at times during the party meeting on Jan 31.

A SAP executive who asked not to be identified analyzed that the stir-up during the party meeting was related to a dissident group loyal to Boontheng, who was ousted as deputy prime minister during the latest minor Cabinet reshuffle. He cited that the prime movers, including Payao MP Chawaeng Wongyai, Lamphun MP Samarn Chomphuthep and Chiang Mai MP Dr Sayom Ramasut, were all close followers of the senior deputy party leader, who has kept a low profile in the outcry.

These dissident MPs incited the Young Turk MPs whose grouping was loosely bound to push for a sweeping replacement of the political appointees by making use of some of the Young Turk core members' desire to take over the political posts, the executive charged. The 30 SAP MPs nominated by the grouping mainly belong to this wing, he said.

A dissident MP who spoke on condition that he would not be identified claimed that the outcry was part of a plan to show that the current interim leadership could not control the situation in the party. The ripples, he said, were needed as a step towards the ouster of Siddhi, Pong and Thongyod.

He claimed that Boontheng had approached Kukrit asking him to make a comeback as party leader. In the meantime, he said that some 50 Young Turk MPs signed a motion which they planned to propose in due time for the party to agree to an "invitation" for Boonchu to reactivate his role in the party. "If the plan works, Khun Boonchu would be able to play a prominent role in the party to pave the way for his strong candidacy in the election of a new team of party executives, planned for June this year," the dissident MP said.

The list of 50 MPs has been entrusted with Maha Sarakham MP Charnchai Chairungruang. But the plan leaked to Siddhi's grouping and a counter-plan to weaken the strength of the Young Turk grouping was worked out, according to a SAP executive.

Siddhi accordingly moved swiftly and called a meeting of SAP ministers last Monday to consult over the appointment of SAP secretaries and put forward the list of 10 appointments during the

Cabinet meeting last Tuesday for a rubber stamping.

The key to the counter-move was the appointment of certain key members in the Young Turk grouping as secretaries to the SAP ministers. They were Khon Khaen MP Suwit Khunkitti as secretary to Commerce Minister Surat Osathanukroh, Udon Thani MP Rakkiate Sukthana as secretary to Deputy Agriculture Minister Prasob Busrakham, Chonburi MP Charoon Ngarmphet as secretary to Deputy Foreign Minister Arun Panupong and some others who were appointed to offices attached to the PM's Office, the executive said.

Although it is difficult to determine the extent of the success of the executives' move, it appears to have diluted the strength of the dissident campaign. Some SAP MPs said that the matter was over as it had become a fait accompli and Suvit appeared satisfied with the appointments.

Nonetheless, Boontheng's followers apparently sought to keep the momentum going. Chawaeng claimed that the dissidents huddled last Thursday and arrived at the next steps to take at a party meeting in the middle of this month.

"Our stand is as follows: We do not recognize the appointment of 10 SAP MPs to political posts because it was against the party resolution reached on Jan 31. We will request the 10 appointees to resign. Secondly, we want party executives — namely Khun Siddhi, Khun Pong and Khun Thongyod — to step down," Chawaeng said. But the Payao MP hinted at how strong the dissident wing was when he was pressed to answer what they were going to do if their calls went unheeded.

"If the appointees refused to call it quits, we will put a sanction on them ... If the executives refused to comply with our call, then we will boycott the next party meeting," he said. The tone is apparently not compatible with the high objectives that the dissidents want to attain. The dissidents plan to propose verbally the comeback of Boonchu to an active executive role in the party meeting in the middle of this month but the question is how strong they will be to put over the call.

M.R. Kukrit told reporters in Chiang Mai last Saturday that he would not resume a leading role in politics. He said he had washed his hands of the whole affair and was too old to enter the next general elections. His statements were taken by some observers as a hint that he would not return as party leader — if he was asked to do so.

Boonchu also said last week that he was pondering the formation of a new political party to enter the next general elections. His statement prompted observers to assume that the once "heir apparent" to Kukrit may have assessed that the prospect was dim for him to make a powerful comeback to the top echelon of the coalition partner.

But all in all, the opposition to the party leadership was real and the situation will continue to be fluid as a challenge to the leadership will conceivably come up from time to time until the party assembly next June.

THAILAND

THIRD ARMY JOINS SUGAR DEBATE

Bangkok NAE0 NA in Thai 10 Dec 85 pp 7, 10

[Article: Third Army Enters Sugar Issue, To Hold 16 December Meeting, Forbids 'Mob Rule' To Resolve Problem"]

[Excerpt] The Third Army has started to play a role in the sugar issue and will hold a general meeting on "current sugar cane and sugar industry problems" on 16 December at its Phitsanulok forward command headquarters. It has invited sugar cane growers and sugar processing factory owners, provincial governors, and provincial chiefs of police of every sugar cane area in the northern region to participate in the decision on initiating action following the incident when certain groups of sugar cane grower leaders threatened the government with protests if it refuses to increase the price of sugar cane to 420 baht per ton.

A source from the Ministry of Industry disclosed to NAE0 NA's "Business World Column" that the Third Army has started to play a full role in the sugar cane and sugar issue by holding a debate on the subject of "current sugar and sugar cane industry issues." Leaders of the sugar cane growers, owners of sugar factories, provincial governors and chiefs of provincial police of each province in the northern region with areas under sugar cultivation have been invited to join in this conference. The general conference will open on 16 December at the Third Army forward command headquarters, which is located in Phitsanulok Province.

"We perceive the role of the Third Army optimistically. We believe that Third Army forces will come in and play a role in indirectly supporting the government," the source stated.

This high level Third Army officer explained to "Business World Column" that the reason that the Third Army is active in this sugar cane and sugar issue is because a certain group of leaders of sugar cane growers in Region 7 of Kanchanaburi Province are actively putting pressure on the government to look for money to increase the sugar price paid to themselves for the 1986/1987 crop year by demanding a price at the 420 baht per ton level.

12587/7687

CS0: 4207/134

THAILAND

EDITORIAL BACKS SUGAR PLANTERS' PROTEST

Bangkok NAED NA in Thai 13 Dec 85 p 4

[Excerpt] Sugar cane growers from many provinces gathered at King Rama V Plaza to escape obstruction from officials who tried through various ways to stop the gathering after Mr Chirayu Issarakul na Ayuthaya, the minister of Industry, requested Gen Sithi Chiraroj, the Minister of Interior, to intervene and try to stop it.

During the protest, sugar cane growers sent representatives to call for assistance from military leaders. The representatives talked with Gen Athit Kamlang-ek, the supreme military commander, and Gen Chawalit Yongchaiyut, Army chief-of-staff, instead of entrusting their hopes to negotiations with the government.

This incident reflects very clearly the level of trust in the government. Protesting for rightful benefits surely is a right guaranteed by the constitution. Therefore, the sugar cane growers have every right to gather to make their demands and show their hardships when such a protest is honest without any hidden motivations, especially because the government through the Ministry of Industry is standing firm and refusing the request of growers who feel that their request is fair.

We cannot deny the fact that sugar cane growers have been exploited all along. If we recall past incidents, we will see the truth: While the price of sugar in the world market was high -- reaching up to 1,500 baht per ton -- sugar cane growers received only 400 baht per ton for their cane. Moreover, the conditions of the payments and other conditions have all been exploitative of sugar cane growers.

Changes from implementing the new 70/30 system of profit sharing -- growers receive 70 percent of the profits and factories 30 percent -- do not mean that growers have not continued to be exploited. At a minimum, factories still benefit because exports of molasses, which are valued at 2,000 million baht, have not been reduced and growers have not received even a cent from them.

Exploitation of sugar cane growers still persists in setting the cost of investment capital for production. Factories have plenty of tricky but legal ways to do that.

So the problem is what the Ministry of Industry, which is directly responsible for this issue, uses for data in setting its policies. If the data was given by factories, then the ministry will look at the problem through rose-colored glasses and will perceive that the 323 baht per ton price that factories allow is eminently fair and covers production costs. Nevertheless, when there are serious negotiations and bargaining, the data turns out that factories can increase their price to growers for sugar cane by 23 baht per ton, up to 346 baht per ton.

This clearly shows that the Ministry of Industry is wearing rose-colored glasses.

If the people who run the country decide to set policies by using data from one side, particularly data that disadvantages the majority of the people, then it is difficult to have peace and security. It also will make the government distant from the support and trust of the general public.

12587/7687

CSO: 4207/134

THAILAND

POLICE OFFICIAL ON ECONOMIC RETURNS FROM OVERSEAS PROSTITUTES

Bangkok NAE0 NA in Thai 15 Dec 85 pp 1, 16

[Article: "'Body Sellers' Help Economy, Send Home 600 Million Baht -- Nearly 20,000 Prostitutes Around World"]

[Excerpt] Pol Col Sorasee Suthisorn, deputy commander of the Suppression Division and head of the Special Task Force for Suppressing Overseas Prostitution, disclosed to NAE0 NA that he estimates 15,000 to 20,000 Thai prostitutes are currently making their living abroad. Most of them -- 8,000 to 10,000 -- are in Japan; the rest of them are scattered about in Singapore, Hong Kong, Germany, and Greece.

The head of the Special Task Force for Suppressing Overseas Prostitution disclosed concerning the economic returns from overseas prostitution that most of the women volunteer through brokers to be prostitutes. Girls 18 years old and under start making their living in this occupation in Singapore, then move to Hong Kong when they reach 20. When they reach the age of 23-25, they go to earn their living in Japan. After they pass through this young stage, they go to Germany and Greece.

"A lot of them live in Japan because the money is good. In Singapore, most of them are teenagers. As for Hong Kong, the number of Thai prostitutes has decreased lately because they are at a disadvantage to prostitutes from mainland China, who have come out in a large numbers lately. In addition, these mainland China prostitutes have the same traditions and customs and similar dialects as their customers, which makes them very popular in Hong Kong," Police Colonel Sorasee said.

The deputy commander of the Suppression Division stated that the number of Thai prostitutes overseas is not that big compared to other nationalities because our traditions and culture are different from Hong Kong as well as Japan where prostitutes from Korea and Taiwan are at an advantage.

The head of the Special Task Force for Suppressing Overseas Prostitution stated further that even in Japan where Thai prostitutes rank fourth after those from the Philippines, Korea, and Taiwan, they are able to send back to Thailand 50 million baht per month from their occupation, which is at least 600 million baht per year.

"We are very troubled about the situation: If we suppress the prostitution business, then our economic returns will be reduced, especially in the northern part of Thailand. These people send money home to their parents and send their younger siblings to college. On the one hand, we suppress it; but on the other hand, we seem to hold back from suppressing it, unlike Korea which chooses to ignore the issue because it regards overseas prostitution as pulling money into the country," Police Colonel Sorasee stated in conclusion.

12587/7687

CSO: 5207/134

THAILAND

SURVEY: PROSTITUTION MAJOR ECONOMIC FORCE IN SOUTH

Bangkok MATICHON in Thai 3 Jan 86 pp 1, 2

[Excerpts] Mr Suraphong Sothanasathian, an instructor with the Department of Public Administration, Faculty of Management Science, Prince of Songkhla University, conducted a study on Hat Yai City and desirable models. The study found that, in 1984, there were a total of 3,856 prostitutes and 206 brothels in Songkhla Province. Of these, there were 2,343 prostitutes and 107 brothels in Hat Yai District. This does not include those prostitutes who avoided the survey or who engaged in this profession on a part time basis.

The survey found that many prostitutes operated out of six massage parlors in Hat Yai. Others operated out of bars and nightclubs. Although prostitutes also operated out of many other places, these were of a more scattered nature. Tourists preferred to go to nightclubs and massage parlors rather than to these other places because there was a larger selection of prostitutes from which to choose. Tourists did not like to use the services of prostitutes at hotels because of their low quality. Also, prostitutes are everywhere in Hat Yai, from brothels to restaurants. They can even be found along the streets and at movie theaters.

The research report stated that the average income of a prostitute in Hat Yai is 5,261.63 baht per month while expenses average only 2,372.50 baht per month. On the average, prostitutes send 1,518.57 baht a month to their families and save 1,301.99 baht. The income earned by Hat Yai prostitutes injects 243 million baht into the national financial system each year. Seventy percent of the prostitutes working in Hat Yai are from the northern region. Most of these are from Chiang Mai, Chiang Rai and Phayao.

The report also stated that prostitution in Hat Yai is an important factor that exerts direct pressure on the economic system there, and it is important for the progress of Hat Yai in general. Thus, a compromise must be reached with the prostitutes there regardless of the fact that prostitution is against the law. The prostitutes in Hat Yai all engage in this voluntarily. They are not forced to do this. There is defacto acceptance of prostitution in Hat Yai. Because without the prostitutes, Hat Yai would experience several economic problems, which would affect other regions of the country as well.



Mr Narong Phonphiriyakunchai, the head of the Hat Yai branch of the Tourism Authority of Thailand, talked with MATICHON about tourism in Hat Yai District during the New Year period. He said that there are more tourists than last year. Because of this, business is very brisk. The hotels and other businesses that provide services are very busy. However, there are some hotels that are not full because many new hotels have opened in Hat Yai.

A reporter asked what preparations Hat Yai has made concerning service occupations during the New Year period, particularly concerning prostitutes, who attract many tourists to Hat Yai. Mr Narong said that public health officials make inspections regularly. Also, a law has been passed requiring prostitutes to carry a pink card to show that they have been examined and are free of disease. Those found to have a disease will be prohibited from working.

As for the finding by researchers that it is prostitution that is responsible for the growth of tourism in Hat Yai, an official with the Hat Yai Tourism Authority of Thailand admitted that that is true. Because the fact is that most tourists who come to Hat Yai come to use the services of prostitutes. But this cannot be promoted openly because it is against the law.

11943

CSO: 4207/150

THAILAND

EDITORIAL WANTS TRADE, SECURITY ISSUES SEPARATED

Bangkok NAE0 NA in Thai 19 Dec 85 p 4

[Text] While U.S. textile importers hesitate to order textiles from various countries in Asia including Thailand because the U.S. Congress has approved the Jenkins bill, there are reports informing us that China -- which is one of the countries affected by U.S. discriminatory trade legislation -- is already turning to the Soviet and eastern European markets.

According to reports, the PRC has sent textiles worth \$600 million -- 76 percent higher than last year's -- to the USSR and eastern European countries. There a lot of buyers, but the choice in these countries is very limited, so that the clothes from China have sold out very easily, especially the brightly colored fashions which contrast with European styles.

If we examine the political and military situations, we see that China and the Soviet Union are on very bad terms and mix like oil and water. Politically, the two countries have violent conflicts on every issue. The Soviet Union supports Vietnam on the Cambodian issue and China is against Vietnam. Militarily, millions of soldiers have been deployed in border confrontations.

Specifically, China considers the Soviet Union to be a real threat to its security.

But from the report mentioned above, China is separating its trade, security and politics because there are two sides to every story; namely, while Chinese merchandise might help relieve the shortages in the Soviet Union, selling merchandise there makes China's economic situation more secure. And there is no need to reflect at all about whether a wealthy man and or a pauper will be more secure.

Thailand must experience serious problems from U.S. trade discrimination. Certain groups of Thai merchants are trying to search out markets in the Soviet Union and eastern Europe and the government seems to be supporting that approach. Nevertheless, people involved with security are strongly warning them to be careful of the destructive and menacing threat of the Soviet Union and its satellite countries. This has made merchants frightened about trade between Thailand and the Soviet Union and eastern European countries, so there has not been any further development.

At this point, we have to ask, What are we doing now?

The prime minister's economic advisers have explained that the nation's economic growth next year will be only 3.2 percent. And the government is having conflicts over whether it should invest in the eastern seaboard because of its problems in having to limit the amount of international loans at the same time. The prime minister has told officials frankly that right now the government does not have the money.

It is rather awkward if we are still not struggling to come up with a policy stating whether sodium glutamate will continue to be a strategic good. Therefore it has come time to ask whether we must separate out trade, politics and security by trading without any restrictions with all countries, including Vietnam and Laos.

12587/7687

CSO: 4207/134

AGRICULTURE OFFICIAL: CROP TARGETS, CONTROLS AIMED AT MARKET

Bangkok BAN MUANG in Thai 31 Dec 85 pp 1, 16

[Excerpt] Mr Thaloeng Thamrongnawasawat, the under secretary of agriculture and cooperatives, talked with reporters on 30 December about the ministry's production control activities during the past year. He said that the ministry succeeded in controlling the production of the important crops, which includes rice, cassava and other economic crops, based on the targets that had been set. Some, however, may have been higher. The government formulated a control policy in order to keep things at suitable levels. For example, for cassava the target was to reduce production by 10 percent, and good results were achieved. The annual wet rice crop yield was slightly higher than last year, and the production of palm oil increased. But there were few problems.

Thailand still has to import certain agricultural products. For example, the production of soybeans must be increased 20 percent. The value of soybean imports reaches several hundred million baht a year. We also have to import about a billion baht worth of cotton a year. Other items such as powdered milk and certain types of wood products are not that important.

Mr Thaloeng said that there are no problems as far as production technology is concerned. This is not a major problem. The Ministry of Agriculture and Cooperatives is promoting the cultivation of crops that have short-term growing periods. Besides this, the ministry is cooperating with the private sector on various projects, and good results have been achieved.

The important problem is the market situation. The effect of this is to lower crop prices. And this also reduces people's purchasing power. We know that world markets are now experiencing a recession. Market demand changes constantly. Thus, the Ministry of Agriculture must find a way to solve this problem. He feels that we should accelerate the development of agricultural industry in order to make greater use of the crops produced domestically. Take paper pulp, for example. We still have to import paper pulp. We should build mills to produce our own paper pulp and paper.

In short, the way to solve the marketing problems for agricultural products is to process the products before export. Quality must be improved so that the products are in line with market needs. For example, if we polish the rice, market demand will increase. Besides this, we must reduce production costs. We

must also promote the cultivation of crops for animal husbandry so that animal husbandry achieves better results and prices increase.

The under secretary of agriculture also said that the "Ministry of Agriculture is trying to interest the private sector in carrying on joint projects. Because at present, people can no longer wait for the government to develop everything. In particular, the farmers' institutes must understand the economic problems so that they can help themselves."

Mr Thaloeng mentioned the 1986 agricultural development plan. He said that it should be possible to implement the various projects stipulated in the Sixth Development Plan. However, there will be some financial problems because the Ministry of Agriculture cannot borrow as much money as before. Some projects may have to be postponed. As for the reduction in the fuel budget, that should not pose any problem because the Agricultural Subcommittee understands and will grant permission as necessary. There shouldn't be any problem.

As for controlling production, the policy of the Ministry of Agriculture is to promote the cultivation of crops that must still be imported. Those are the only crops being promoted. As for other crops, we have to watch market demand. Based on market demand trends in 1986, the demand for agricultural products is expected to decline.

The rice production problem has been submitted to the economic cabinet. The economic cabinet is considering reducing the area under cultivation. The plan calls for the area under cultivation in the northeast to be reduced by 200,000 rai. People will be encouraged to use 20,000 rai to raise livestock.

The market situation is not expected to improve in 1986. World markets are still not good, and purchasing power has dropped. Thus, we must replace imports with goods produced domestically.

11943

CSO: 4207/142

THAILAND

DEVELOPMENT SPECIALIST VIEWS UNEMPLOYMENT, LABOR MOVEMENT

Bangkok MATICHON in Thai 20 Jan 86 p 3

[Interview with Mr Nikhom Chantharawithun, president of the National Advisory Council on Labor Development; date and place not specified]

[Excerpts] On 24 and 25 January, the National Advisory Council on Labor Development will hold a three-party, national-level conference on labor problems. The conference will be held at the Government House and the Dusit Thani Hotel. Approximately 300 people representing employers, employees and the government will attend. MATICHON feels that the conclusions reached at the conference could help reduce unemployment, a critical problem today. Thus, we are presenting details on this problem and possible solutions in the form of an interview in order to provide people with basic information on this problem.

[Question] What is the purpose in holding this three-party meeting?

[Answer] The Advisory Council monitored the country's economic situation last year with great interest. At the same time, we have looked at the problems that affect labor, particularly the decline in the number of jobs, which is tied to dismissals, the decline in the number of people working and the increase in unemployment. We obtained our data on dismissals from the Labor Department and the Thai Chamber of Commerce. The figures show that between 60,000 and 100,000 workers were dismissed last year.

Dismissals cause problems for the workers and their families. And because workers are also buyers, when they don't have incomes, this affects the economy in general. Besides this, workers are very worried that if the economy continues to shrink like this, there will come a time when this affects them. Thus, people feel insecure. This is not good because it affects their attention to work and productivity. As long as workers feel insecure, productivity will decline.

In short, in the present situation, I think that it is essential that the people concerned, particularly the employers and employees, talk to each other about the problems. They should review matters to find out why employers have had to dismiss workers and what can be done to reduce the number of dismissals. Today, people are not talking to each other about what can be

done. Thus, besides reviewing the 1985 economic problems, this conference will also look at the effect that these problems have had on employers and employees, the causes of the problems and what can be done to solve the problems without having to resort to implementing new laws or using new measures.

To give you a simple example, if it is necessary to dismiss workers or cease operations, no one can prohibit that. But employees should at least be informed ahead of time. Sometimes there is a lack of capital. People could discuss the matter to see if anything can be done to reduce production costs and to see if it is necessary to reduce wages somewhat.

[Question] Are there forecasts on whether dismissals will increase or decline?

[Answer] This is something that scholars will discuss at the conference. We will discuss the reasons for the rise in unemployment. There are both internal and external factors. One internal factor is that the economic growth rate has declined. Besides that, the government has reduced the budget, which affects investments. And so employment has declined. That is only normal.

But we feel that the other factors might improve if people discussed matters together. For example, in the past, the emphasis has been on investing in ultramodern equipment and tools. We should discuss how we can use Thai technology or upgrade things. But development in the past has focused only on building more factories and expanding industry. But that is not enough. Because an unemployment problem has arisen. Good growth will be growth in the rural areas.

In short, looking at past development, our country has expanded 1 percent. But the number of jobs has not increased even 0.5 percent. Few jobs have been created. If development continues like this, the number of dismissals will certainly increase during the period 1987-1989. This will just get worse unless these problems are solved and the financial and monetary policies are revised. Today, everything is growing worse. Previously, he talked about zero growth. But now the director of the Budget Bureau says that the figure will be even lower.

We have to watch and see how this will affect the country. I support the use of belt-tightening measures. I advocated that during the period that I served as director-general of the Labor Department. If the central government cut budgets by another 5 percent, no department would collapse. Even 10 percent would not be dangerous. But if budgets are cut 10 percent, unemployment could rise and there might be social problems. We would have to watch and see whether it is worth the cost.

[Question] When the 800,000 people who will enter the labor market for the first time are added to the 100,000 workers who were laid off, the problem becomes very serious. Is there any way to reduce the severity of this problem?

[Answer] At present, the rural areas are experiencing problems because of a lack of capital. In the past, factories were located in the rural areas. This provided some help. The factories provided jobs. But now, the number of factories is declining. The rubber plantations in the south used to get a good price for their rubber. But now prices are so low that few people are operating rubber plantations. Young people who completed Grade 4 or Grade 6 used to stay in their village. But now they leave to look for work elsewhere. Statistics provided by the National Statistical Office and the Development Council show that 750,000 people enter the labor market every year. Unemployment stands at about 2 million. This will increase by about 750,000 this year. If we can maintain a growth rate of 3 percent, the number of jobs will increase 1.5 percent. But even so, unemployment will rise.

There is another problem, too. Ten years ago, unemployment was not very high because workers could go abroad to work. Today, there are 200,000-300,000 people working abroad. But in 1987-1988, we can't be certain that the number of people working abroad will remain at that level. The number may decline. If the fighting in the Middle East grows worse, construction will come to a halt.

[Question] A problem that was discussed a lot last year was the problem of unemployment among highly educated people.

[Answer] I admit that there probably won't be much time to talk about this problem. This is because we will discuss the immediate problems, that is, the urgent problems. Frankly, the government should take responsibility for these people. Because today, for several reasons, the private sector is not accepting people with advanced degrees. Besides this, this time we will focus on the problem of people being laid off. We will focus on people who already have jobs--ordinary people who have been working for 10-20 years and who need money to live.

Students can still rely on their parents. They have never had jobs. But I don't deny that this is a serious problem. However, that will have to be discussed at another meeting.

[Question] Today, the policy of the Vocational Education Department and the universities is to produce people to satisfy the needs of the labor market by focusing on quality. But this does not get at the root of the problem. Because regardless of how qualified people are, if the economy remains poor, there won't be any jobs for them. What is your view on this?

[Answer] That's correct. Formulating education and manpower plans are long-term tasks. The problems cannot be solved this year or in the next 6 months. In 1986, at least 60,000 students will receive their university degrees and another 60,000 will receive their vocational certificates. This does not include those who will complete Grade 12. Altogether, about 200,000 students will complete their studies this year.

[Question] As for setting a minimum wage, several factions, particularly employers, feel that this is inappropriate in the present economic situation.



[Answer] We have been hearing this for more than 10 years. The minimum wage in Bangkok today is 70 baht. In my view, that is not excessive in view of the cost of living. If the minimum wage was as high as it is in the United States, we would have to review this. If we lower or abolish the minimum wage, employers will employ child laborers.

[Question] But people still violate the law by not paying the stipulated amount.

[Answer] Only a few do. What I am most worried about is that if the minimum wage is abolished, unemployment will increase among adults and the use of child labor will increase. I think that having a minimum wage still serves a useful purpose. But this must be considered very carefully. When we first set the minimum wage at 12 baht, several hundred thousand workers in Bangkok received only 8 baht. That is what things are like here.

[Question] Each time there is a meeting, setting wages proves to be a very difficult task because each side is concerned about its own interests. Thus, more and more disputes arise.

[Answer] I hope that the minimum wage does not become a major topic at this meeting. I would like to discuss wages in general and see what things are like at each level. In my view, in the private sector, mid-level wages are suitable. But at higher levels, wages are too high at certain places. A survey must be conducted. People here must learn to live together. For example, employers refuse to pay 70 baht, but they agree to pay certain people very high wages. In the public sector, a person at the top earns only 15 times more than a person at the bottom. A director-general is paid 13,000-14,000 baht a month while a clerk earns approximately 1,900 baht. In the private sector, clerks earn 2,000 baht, but those at the top earn 200,000 baht.

[Question] How does urban unemployment differ from rural unemployment and is the situation growing worse?

[Answer] In the rural areas, people can rely on help from their relatives. That is not the case for people who live in the city. They may have friends. But they could all lose their jobs. People in Bangkok are isolated. Thus, things will get worse. And the cost of living is high.

[Question] One labor leader, that is, Mr Ahmat Khamthetthong, has lost power in the Employees' Council of the Labor Council of Thailand. Would you discuss the splits within labor circles? What is likely to happen?

[Answer] I think that the labor movement will grow weaker in 1986. First, very few new members will join the unions. This is because the role of the unions is declining. People spend money joining a union in the hope of benefiting. But in 1985, the unions did very little. Second, employers tend to distrust those who join a union. Because jobs are so hard to find these days, people don't want to risk this. This is the case in other countries, too. In Europe, the labor movement is much weaker than it was 5 years ago. The various forces will grow much weaker in 1986. The economic situation is forcing leaders and workers to be more clever. Not only do demonstrations not achieve anything,

but people can lose by participating in demonstrations. The good thing is that this is forcing people to think. This may force people to review things and put their own house in order. This may force the unions to make adjustments.

[Question] What about further splits?

[Answer] I think that in this critical situation, things will improve. Labor leaders will begin to talk with each other. As for the hope that people will join together, leaving only one or two organizations, I don't think that that will happen in 1986. But the trend is for greater cooperation. Today, employers are cooperating closely with each other. The Employers' Organization is working very efficiently. It holds a meeting every month. This year, employers have been asked not to lay off workers unless it is absolutely necessary. This shows that this organization has a sense of responsibility. Thus, labor organizations must show a sense of responsibility, too.

[Question] Has the arrest of labor leaders played a part in the decline of the labor movement or is this decline due solely to the economic situation?

[Answer] The economic situation has definitely exerted pressure. Labor leaders know full well what will happen if they become involved in politics. If problems arise, no one can help. This also shows that few people are being hired for new types of jobs. Out of the total labor force of 25 million people, only 550,000, which is less than 10 percent of the total labor force of 25 million, receive salaries. This includes government officials. Thus, it's very difficult to find people to support political activities.

Besides this, only about 200,000 people nationwide belong to labor unions. Thus, there is no chance of forming a political party in the next 5-10 years. The best thing is to carry on activities that the majority of the people will support.

11943

CSO: 4207/150

THAILAND

COLUMNIST REVIEWS RICE SUPPORT CONTROVERSY

Bangkok BAN MUANG in Thai 22 Jan 86 p 5

[Ta Mo Lo column: "The Farmers and the Tinsulanon Bridge"]

[Text] Farm leaders are threatening to hold more demonstrations in Bangkok because they can no longer wait for the government to take action to solve the rice price problem. Even though the minister of commerce was replaced, the new minister has not said anything to give farmers hope. The reports broadcast over the Department of Public Relations radio have not improved morale.

Even though the full energies of senior people have been mobilized to oversee things, the price of rice is still only 2,600 baht per kwian [1 kwian equals 2,000 liters]. The reason why the price of rice has not risen to 3,000 baht per kwian, which is the price stipulated by the government, is that the mills don't dare buy rice at that price. The mills are unsure about being able to sell the rice for a profit if they purchase rice from the farmers at that price. The mills have asked the government to guarantee the price of milled rice. They want the government to purchase the milled rice from the mills. The government has refused, because it doesn't have enough money.

Actually, the government could do this if the Bank of Thailand would go along with this. But if it did this, inflation would increase. And this administration is more afraid of inflation than it is of being defeated in war.

That is the blind spot of the rice price problem. Other problems, such as the refusal by the banks to extend credit, are just complications. But the rice price problem is now becoming critical. I agree with the government that this is not the time for farmers to march on Bangkok and threaten the Government House. Because at present, politics is very unstable, and things are becoming increasingly complicated.

As for the government releasing 20 billion baht to purchase rice from the mills, if it released the money wisely, inflation would not increase very much. And, as M.R.W. Khukrit said, this would benefit the economy. We must put away our textbooks for the moment and let nature take its course. Actually, the textbooks do not say that inflation is always bad. A small increase in inflation could help to invigorate our depressed economy. We are now in a

recession. The money supply should be increased in order to stimulate the economy. The important thing is to keep inflation under control and not let it rise too sharply. I think that the professionals, such as the Bank of Thailand, have the skill to increase the money supply while keeping inflation under control. Make a decision, Mr Prem! I hope that Mr Prem remains in office until the opening of the Tinsulanon Bridge.

Readers, please excuse me for writing about rice price guarantees so frequently. But I would like you to ask the government to guarantee rice prices in order to help the farmers. This is the only way to solve the immediate problem and enable the farmers to survive for another year. Next year, we can discuss the matter again.

Merchants and certain advisors to the prime minister (including certain farm leaders) are calling for a free rice trade. But the freer the rice trade, the worse things will become for the farmers. This does not mean that a free trade system is bad. But it will work only when the economy is good. For the free trade system to work, the producers, traders and consumers must have equal bargaining power. Today, farmers do not have any bargaining power. This is because the cooperatives, which provide the basis for increasing the bargaining power of the farmers, are totally worthless. This is just the opposite of the traders and mills, which have associations to increase their bargaining power. It has reached the point where they seem to have a monopoly.

The mills and rice traders have the power to set purchase prices, but the farmers do not have the power to set sales prices. Thus, the government must intervene in order to help the farmers. During this period, if the government allows people to engage in free trade, the farmers will experience great difficulties. The merchants will use world market rice prices to set paddy prices here, and we all know how depressed rice prices are on world markets.

Even if the government tries to solve the problem by intervening and purchasing rice in competition with the rice mills as it did in the past, this will not achieve very much because the government's tools and mechanisms have problems. The merchants and mills are much more flexible and deft. As for rice stocks and premiums, whenever the government guarantees rice prices, it can do away with these immediately. There wouldn't be any problem.

There is one other way out. That is to appoint Mr Sommai Huntrakun minister of commerce and make Mr Surat Osathanukhro minister of finance. We would soon know whether they would stay or go.

11943

CSO: 4207/154

THAILAND

RICE EXPORT GOAL ANNOUNCED AT COMMERCE MINISTRY

Bangkok BANGKOK POST in English 10 Feb 86 p 13

[Text] **THE Commerce Ministry has set an export target of 3.5 million tons of rice to 13 countries which are regular buyers of Thai rice in Asia, Africa and South America this year, Commerce Minister Surat Osathanukroh said at the week-end.**

The 13 countries are Malaysia, Singapore, Brunei, the Philippines, Indonesia, Bangladesh, Iran, Iraq, Senegal, Mauritania, the Ivory Coast, Brazil and Mexico.

Pol Capt Surat said that in order to achieve the target, the four trade commissions, headed by him and his deputies and comprising officials of the ministry

and private sectors, would visit these countries during this and next months.

He said it is believed that these countries, which normally import Thai rice, would increase their purchases as the prices of Thai rice are likely to be lower than other countries' as a result of the abolishment of the premium on rice exports.

Brazil, for example, requires about 1.2 million tons of rice for domestic consumption yearly and would be buying more from Thailand, he said.

Brazil, which had already bought about 400,000 tons of Thai rice, has placed an order for 200,000 tons early this year and is expected to buy another 400,000 tons this year.

Pol Capt Surat said that due to the active local rice market, traders and exporters, who are mostly Chinese, would stop trading for only one day for the Chinese New Year. Traditionally in the past, trading would be suspended for about a week for the holiday.

**RESUME**

He also said he had asked the Board of Trade to resume its weekly fixing of rice prices after former Commerce Minister Kosol Krairiksh had ordered it suspended.

Pol Capt Surat said the weekly fixing of prices by BoT would help indicate the movements of prices in both local and foreign markets so as to help buyers and exporters of rice.

Meanwhile, he admitted that the work at the ministry was very hard, but he was happy as he found it challenging.

He said officials at the ministry were competent in solving the country's problems although the ministry lacked sufficient funds to acquire advanced technology and technique to help them.

He said the ministry would fight for a larger budget to support its officials who were working in the provinces and abroad in helping solve problems.

THAILAND

MINISTRY OF COMMERCE ADVISOR PROFILED

Bangkok MATICHON SUT SAPDA in Thai 2 Feb 86 p 42

[MATICHON Profile column: "Mr Somphon Kiattiphaibun, an Advisor to the Ministry of Commerce"]

[Text] He was born on 11 July 1940 in Song Phi Nong District, Suphanburi Province. He is the son of Mr Chira and Mrs Imchai Kiattiphaibun.

He attended primary and lower secondary school in his home district. He attended upper secondary school at Wat Bowonniwet School in Bangkok. He then entered the Faculty of Economics at Thammasat University, where he earned his bachelor's degree in economics, graduating with honors. He earned his master's degree in economic development from the National Institute of Development Administration, where he graduated with honors. Following that, he earned a master's degree in economics from Fairleigh Dickinson University in New Jersey.

He observed export trade promotion activities at the World Trade Institute in New York, consumer control activities, GATT administrative activities and Australian economic and trade activities.

In 1966 he went to work for the Trade Policy Division, Department of Foreign Trade, Ministry of Commerce, as a junior economist. In 1970, he served as the second secretary for commerce attached to the Thai embassy in Washington. In 1973 he worked as a senior economist with the Department of Commercial Planning.

In 1975 he served as secretary of the Department of Business Economics. He was then appointed director of the Commercial Statistics Center. Following that, he was appointed chief of the Planning Division, Department of Business Economics. He then served as a special expert on international trade cooperation.

In 1983 he was appointed deputy director-general of the Department of Business Economics and then deputy director-general of the Department of Foreign Trade. In 1985 he was appointed director of the Insurance Office. However, he held this position for only a short time. When Police Cpt Surat Osathanukhro was appointed minister of commerce in place of Mr Koson Krairuk, he was made a commercial advisor.

Well-known classmates of his include Mr Manu Lieophairot, the secretary-general of the Sugar Institute; Mr Sing Tangthatsawat, the director for financial affairs, Thai Cement Company; and Mr Rat Chiraserinupraphan, the manager of the Hong Kong branch of Bangkok Bank.

He was the youngest director-general in the Ministry of Commerce. He is a very capable person in the field of economics and trade. He was particularly successful in stipulating ways to solve the agricultural products problem. Approximately 3 months after he became involved in insurance activities, he managed to coordinate things with various insurance organizations. He emphasized having the insurance companies invest in activities that were in harmony with the national development line.

He is married to Chitchai. They have two sons and two daughters.

11943

CSO: 4207/154

THAILAND

WEAPONS R&D, HELICOPTER MONOPOLY DISCUSSED

Bangkok LAK THAI in Thai 15 Jan 86 p 6

[From the Hilt to the Tip of the Sword column]

[Text] Army Missiles

Very quietly, the air force has developed its missiles and now has surface-to-air and air-to-surface "Cobra 4" missiles. It is now in the process of developing air-to-air missiles. It is thought that we will be producing such missiles by 1988. As for the army, missile development has begun very quietly. The unit responsible for this has been turned into a separate, independent unit. It is known as the army Missile Research Center. It is located at the King Mongkut's Institute of Technology at Withayakhet Chaokhun Thahan in Latkrabang District. It is developing surface-to-surface missiles, or missiles used to destroy large targets such as trucks, tanks and military positions. This missile has not been given an official name. The prototype for this missile is the "Chaokhun Thahan" missile and, therefore, once work on the missile is completed, it may be named the "Suriyan" missile in honor of the person who gave so much support to this project that permission was given to establish the army Missile Research Center as an independent unit. As for the advances made by the army in weapons technology, besides the Missile Research Center, at the army Weapons Production Center in Lopburi, the factory has succeeded in producing artillery pieces. It is producing all the parts itself. Another difficult task is reboring the old gun barrels. The center is now doing everything. It is also producing various types of mortars. We are now much more self-sufficient in weapons production.

Weapons Markets

Although we can now produce many types of weapons ourselves, there are still many types that we cannot produce, particularly fixed-wing aircraft, helicopters and tanks. Thus, markets for these types of weapons are very good. Helicopters are very expensive, and budgets for this type of weapon are rather high. This is because the cost of parts and maintenance is high. The Naowarat Phattanomdom Company, a representative of the Heliorian Company in Singapore, has a monopoly on the Thai market. The Heliorian Company is a representative, or agent, of the American Bell Helicopter Company. Thus, the Naowarat Company is the third link in the chain. Actually, the mother company of the Heliorian



Company is located in Thailand. It is a subsidiary of the Anglo-Thai Company, which has made a fortune from various items in Thailand, particularly teak wood. The Anglo-Thai Company set up the Heliorian Company in Singapore because it felt that Singapore was the marketing center in Southeast Asia. It set up a parts center and built a plant, which is just as big as plants in the United States, to make major repairs and overhaul engines. It is difficult for other companies to compete for a share of the helicopter market because of the monopoly that this company has, a monopoly that is has had for many years.

11943

CSO: 4207/142

THAILAND

PROMOTION PROSPECTS FOR DEPUTY ARMY CHIEF OF STAFF

Bangkok SU ANAKHOT in Thai 29 Jan-4 Feb 86 pp 16-18

[Unattributed report: "Keep an Eye on Lt Gen Wanchai Ruangtrakun, the Senior Lieutenant General"]

[Text] This is another year in which several army generals will retire in September. Because of this, people are watching several officers who now hold the rank of lieutenant general to see which ones will be promoted to full general and appointed to the vacant positions.

There are five full generals in the army who hold important positions. These are: Gen Athit Kamlangek, the RTA CINC; Gen Chuthai Saengthawip, the deputy RTA CINC; Gen Akkhaphon Somrup, the first assistant RTA CINC; Gen Kamhaeng Chanthawirat, the second assistant RTA CINC; and Gen Chawalit Yongchaiyut, the army chief of staff. Even if Gen Athit Kamlangek is granted another 1-year extension, the position of deputy RTA CINC and the two assistant RTA CINC positions will all become vacant. This means that three people who now hold the rank of lieutenant general will have to be promoted to fill these positions.

The army has 27 slots for lieutenant generals. Of these, only five are attached to army headquarters. This September, five officers of the rank of lieutenant general will retire. Those are: Lt Gen Sirichai Laksaniyanawin (Army Preparatory School Class 7), the assistant army chief of staff for personnel, who was appointed to this position in October 1985; Lt Gen Sawat Siriphon (APS Class 5), an army advisor, who was appointed to this position in October 1985; Lt Gen Ruamsai Chaikomin (APS Class 7), the 3d Army Region Commander, who was appointed to this position in October 1985; Lt Gen Anat Suphatraphan (APS Class 3), the chief of the Ordnance Department, who was appointed to this position in October 1984; and Lt Gen Sonthi Ketuphan (APS Class 5), the commandant of the Institute of Army Academies, who was appointed to this position in October 1983. This will leave only 17 lieutenant generals who hold positions outside Army Headquarters.

Although these 17 officers are equal in terms of rank, there are differences in terms of time in rank and position held. The position of deputy army chief of staff is considered to be the most senior position because it is usually held by the person who has seniority in terms of time in rank. The two deputy

chiefs of staff are Lt Gen Wanchai Ruangtrakun (Chulachomklao Royal Military Academy Class 1), who was appointed deputy army chief of staff in October 1985, and Lt Gen Charat Wongsayan (APS Class 7), who was appointed deputy army chief of staff in October 1985.

Seniority in terms of time in rank is as follows:

Officers promoted to lieutenant general in October 1983 include: Maj Gen Wanchai Chitchamnong (APS Class 5), the deputy 4th Army Region commander, who was promoted to lieutenant general and appointed 4th Army Region commander; and Maj Gen Wanchai Ruangtrakun (CRMA Class 1), the chief of staff of the 1st Army Region who was promoted to lieutenant general and appointed assistant army chief of staff for operations.

Officers promoted to lieutenant general in October 1984 include: Maj Gen Singha Saowaphap, the director of the King Mongkut's Hospital, who was promoted to lieutenant general and appointed director of the King Mongkuts' Medical College; Maj Gen Prawatwon Hutasewi (APS Class 5), the deputy chief of the Operations Department, who was promoted to lieutenant general and appointed chief of the Operations Department; Maj Gen Wichit Wichitsongkhram (APS Class 7), the chief of the Logistics Department, who was promoted to lieutenant general and appointed commander of the Weapons Production Center; Maj Gen Phisit Mobut (APS Class 6), the deputy commander of the 2d Army Region, who was promoted to lieutenant general and appointed 2d Army Region commander; Maj Gen Atsawin Thephakham, the deputy chief of the Medical Department, who was promoted to lieutenant general and appointed chief of the Medical Department; Maj Gen Phichit Kunlawanit (CRMA Class 2), the deputy commanding general of the 1st Army Region, who was promoted to lieutenant general and appointed 1st Army Region commander; Maj Gen Charat Wongsayan (APS Class 7), the deputy army comptroller, who was promoted to lieutenant general and appointed army comptroller; Maj Gen Sunthon Khongsomphong (CRMA Class 1), the deputy commander of the Special Warfare Command, who was promoted to lieutenant general and appointed commander of the Special Warfare Command; and Maj Gen Charuai Wongsayan (CRMA Class 1), the deputy commander of the Special Warfare Command, who was promoted to lieutenant general and appointed assistant army chief of staff for civil affairs.

Officers appointed to lieutenant general in October 1985 include: Maj Gen Wichit Sukmak (CRMA Class 2), the commandant of the Chulachomklao Royal Military Academy, who was promoted to lieutenant general and appointed chief of the Territorial Defense Department; Maj Gen Wichai Phoemsap (CRMA Class 1), the deputy army comptroller, who was promoted to lieutenant general and appointed army comptroller; Maj Gen Ngamphon Butsathit (CRMA Class 1), the chief of the Intelligence Department, who was promoted to lieutenant general and appointed assistant army chief of staff for intelligence; Maj Gen Suchinda Khraprayun (CRMA Class 5), the chief of the Operations Department, who was promoted to lieutenant general and appointed assistant army chief of staff for operations; Maj Gen Kasem Sanguanchatsonkrai (CRMA Class 1), the chief of the Engineer Department, who was promoted to lieutenant general and appointed assistant army chief of staff for logistics; and Maj Gen Rat Bunyathap (APS Class 7), who was promoted to lieutenant general and appointed a special operations officer with Army Headquarters.

"If the army chief of staff or the assistant RTA CINC is not appointed RTA CINC, then the deputy army chief of staff must be appointed to that position. The positions of assistant RTA CINC and army chief of staff must be given to the most senior lieutenant generals. The position of deputy army chief of staff is supposed to go to a senior lieutenant general who has held this rank for at least 1 year," said a senior officer to SU ANAKHOT.

Looking at this list of officers, Lt Gen Wanchai Ruangtrakun (CRMA Class 1) is one of those eligible to be promoted to full general and appointed deputy RTA CINC (1 slot), assistant RTA CINC (2 slots) or army chief of staff (1 slot) if Gen Chawalit Yongchaiyut, or Big Chiu, is appointed deputy RTA CINC.

Lt Gen Wanchai Ruangtrakun was born on 13 July 1932. He will retire in September 1992. He completed upper secondary school at Amnuaisin School. He then entered the Chulachomklao Royal Military Academy as a member of Class 1. He was commissioned an officer in the cavalry in 1954. During the time that he served as assistant army chief of staff for operations, he was deeply involved with the minority group problem in the north and with the security problem along the Thai-Burmese border.

In particular, after he was appointed chief of staff of the 1st Army Region in October 1981, which is when Gen Athit Kamlangek was the 1st Army Region commander, he was entrusted with very important tasks, including important tasks with the Bangkok Peacekeeping Command, which was established at the end of 1981 following the 1 April rebellion by Young Turk officers.

"Fellow classmates expect Phi Wanchai to rise to the top in the military along with Big Chiu, although Big Chiu may change course and enter politics," said a member of CRMA Class 1 to SU ANAKHOT.

Thus, during this year's annual military reshuffle, Lt Gen Wanchai Ruangtrakun is one officer worth keeping an eye on to see if he is appointed to a position for a full general.

Lt Gen Wanchai Ruangtrakun, the First Deputy Chief of Staff of the Army

Date of birth: 13 July 1932

Wife: Somsri Ruangtrakun

Children: Two sons and two daughters

Education: Amnuaisin School (upper secondary school), 1950  
CRMA, Class 1, 1954  
Armored Vehicle School, Class 3, (company-grade course), 1960  
Armored Vehicle School, (field-grade course), 1962  
Army Command and General Staff College, Class 42, 1963  
U.S. Army Command and General Staff College, Ft Leavenworth, (staff course), 1968  
U.S. Armored Vehicle School, Ft Knox, Kentucky, (maintenance course for senior officers), 1968

Important positions:

Attached to cavalry regiment, 1954  
Operations and training officer, 4th Cavalry Battalion, 1962  
Deputy commander, 4th Cavalry Battalion, 1963  
Commander, Independent Company, 21st Royal Guards Infantry  
Regiment, 1965  
Chief of intelligence, 1st Infantry Division, 1966  
Instructor, Army Command and General Staff College, 1968  
Assistant head of operations, 1st Army Region, 1974  
Deputy chief of staff, 1st Army Region, 1977  
Chief of staff, 1st Army Region, 1981  
Assistant army chief of staff for operations, 1983  
First deputy army chief of staff, 1985

War service:

Service in Korea, 1965  
Service in Vietnam, 1970

11943

CSO: 4207/156

THAILAND

BRIEFS

CROWN PRINCE PILOTING PROWESS--Last week, the Crown Prince, who has shown his military prowess on many previous occasions, participated in a contest in the use of air weapons at the air force weapons training field in Muang Khom Subdistrict, Chai Badan District, Lopburi Province. The Crown Prince won top honors in every field, including using aircraft rockets and machine guns and making accurate bombing runs using an F-5E jet fighter. His average score was 95.6 out of a possible 100. The runner-up was Group Cpt Samat Sotsathit. There have been reports that the Crown Prince will attend the Army War College. After that, he will go to the United States to attend the War College there. He will also learn to fly a different type of aircraft. At present, he is an F-5E pilot, having logged many hours in this aircraft. He will learn how to fly the F-16 A100, which Thailand has purchased from the United States. He will be among the first Thai pilots to learn how to fly this type of aircraft. [From the Hilt to the Tip of the Sword column] [Text] [Bangkok LAK THAI in Thai 15 Jan 86 p 7] 11943

CSO: 4207/142

MILITARY AFFAIRS AND PUBLIC SECURITY

PATROL UNIT STOPS ATTEMPTS TO HELP PROSPECTIVE BOAT PEOPLE

Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Dec 85 p 2

[Article by Long Khanh: "On the Empty Motorboat in Kanh Cut"]

[Text] It was not very late, but the area of Kanh Cut, Housing Cluster 3, in the Town of Rach Soi, Chau Thanh District (Kien Giang Province), was already submerged in darkness. This is an area of remote canals and waterways which the reactionaries often take advantage of to operate.

In accordance with local information, at about 2100 hours tonight, a group of people who wanted to flee by boat would pass through here. The deputy post commander, First Lieutenant Nguyen Manh Tien, looked at his watch: it was one-half hour past G hour, and yet nothing happened. He became impatient and thought: perhaps they had detected our presence. Tien was about to call his men over to seek their opinion, but then he heard the sound of motor echoing from afar. He told his men, "Attention! The fish is entering the canal!" Everybody was holding his breath. The motor sound became louder. But as it approached the ambush of the patrol unit, the motor sound was getting less and less loud, and finally stopped. With a faint light reflecting from the water surface, Tien saw a motorboat float gently.

"Who is there, no matter where you go, stop!"

The order, executed in a loud, crisp, and firm voice, cut through the darkness, and lights from strong flashlights were sweeping around the motorboat.

"I, I am on my way to dropping the net," a man said in a trembling voice."

"We ask you to let us see your identification papers!"

The combatants proceeded with checking. Nothing was found in the motorboat, even nets. The boat owner, one named Nguyen Van Thuan, produced his identification card. He carried another person's identification card, too. Tien assigned work to his men who were to remain with the boat and, with two of his men, took Thuan along to return to the border post where he would continue the work.

At the border post, Thuan did not make any further statement and instead charged the border post with arresting people without any evidence. He also requested that it reimburse him for the amount of fish he might catch that night.

"If we do something wrong," Nguyen Manh Tien said in a calm voice, "we will bear the responsibility. Do not worry. Let me tell you this: you should be sincere. The revolution is always tolerant and lenient toward those who show repentance, but it will also resolutely punish those who remain stubborn! Let me ask you why you said you were going fishing and yet you do not have any nets, and why you carry with you another person's identification card."

Thuan said that the other identification card belonged to someone who had dropped it and he had found it, with the intention of finding its owner to return it to. As to the first question, he seemed to ignore it and said, in a hesitant manner:

"I am going to An Bien to buy dried shrimp for reselling purpose."

"So you must carry money with you, and how much do you intend to spend?"

"I intend to buy only 50 kilograms; therefore, I have only 10,000 dong."

Tien tried to calculate in his head: 50 kilograms of dried shrimp would require 15,000 dong because the price was 300 dong per kilogram. Totally contradictory.

"Can you let us check your money?"

"Yes, right away."

But as the sum of money was counted, it showed that Thuan had only 4,000 dong with him.

"How do you explain this?" Tien quickly asked.

Thuan's face, already pale, turned white. Knowing he could not deny, Thuan said: "Please, I am very poor. On 4 April 1985, Bui Thanh Binh of Da Noi Hamlet, Thanh Dong B, came to see me and hired me to transport a gasoline motor to a boat anchored at Xeo Ngat for use in a fleeing trip. He promised to give me 10,000 dong upon completion of the job, but he has not given it to me. This identification card, he gave it to me as a token of trust. Binh also hired another man to transport a BF-9 gasoline motor for their group."

Acting on the basis of Thuan's statement, Post 904 quickly captured Tuong when he was riding alone in a motorboat heading in the direction of Xeo Ngat. And soon afterwards, the unit also captured all of the people who had been making arrangements and organizing the fleeing trip within the area it was in charge of. The plot to flee the country by boat of that group of reactionaries was thus thwarted.

5598  
CSO: 4209/244



MILITARY AFFAIRS AND PUBLIC SECURITY

TRACING IDENTITY OF 'CIA-TRAINED' SPY YIELDS RESULTS

Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Dec 85 p 2

[Article by Hai Binh: "Following Evidences Surrounding the Left-Behind Spy"]

[Text] Three months after the total liberation of the South, we were informed by the security organ as follows: "In unit X there was First Lieutenant Hoang Chi Tan who was assigned to work in B2 and, following his arrest by the enemy, admitted he had been working for the CIA. They had trained him, had long given him a task at the Saigon Central Intelligence Special Commission, and had sent him to the North to operate."

The security cadres and combatants held a meeting and came to this opinion: The fact that American intelligence people had sent Hoang Chi Tan to the North was within their postwar plan aimed at gathering investigation and intelligence information, building bases of operations, and inflicting long-term destruction upon us. Therefore, there should be great determination and very positive plans to quickly find the man who had betrayed the revolution and had served as an enemy lackey.

A check of the list of the cadres and combatants of unit X who had been sent to work in the South did not yield anybody named Hoang Chi Tan. Although the investigation was extended to other units concerned, nobody was found. Was it possible that Hoang Chi Tan was the false name of someone who gave it to himself after he had been captured by the enemy in order to hide his identity and to give himself a new cover? To find the truth would require studying the documents that the enemy had left behind and finding the people who had been involved in it to get to know the real situation.

In organ B there was a cadre named Bay T who had been captured by the enemy while operating in urban Saigon. He had been confined for a while in a jail operated by the Saigon Central Intelligence Special Commission. Some security combatants came to see T and asked him about Hoang Chi Tan.

"About mid-1971," T answered after a few minutes' pause as if he was searching his memory, "one day I was sitting in front of my jail cell, when a man who introduced himself as Hoang Chi Tan came to me. He said he was a first lieutenant of unit X, sent to B in 1968, and captured because they found he had a pistol in his possession. Tan said he had told the enemy he was a cadre

of provincial military unit M. After he voluntarily told me the names of his parents, wife, and children, and let me know his family situation, he said: 'We both have been captured by the enemy and would not know whether we would live or die; therefore, we should tell each other our name, native place, and about our wife and children so that in the case one of us survives, he can later report to the party, the organization, and our family.' Because I found that Tan was big and fat and was able to move around more freely than other people, I suspected he was a 'base' in the enemy's jail and thus gave him rather ambiguous answers.

"I thought that Hoang Chi Tan very probably was being a lackey of the enemy. Regrettably, I do not now recall the names of Tan's wife, children, and native place. I only vaguely remember that he was working under assignment in Yen Bai before being sent to the South."

After having spent many days to search among the huge and disorderly mounds of documents left behind by the enemy at the time they had fled the country, we found a typewritten sheet under the headline "Memorandum to the President of the Republic of Vietnam" mentioning the recruit of Hoang Chi Tan as an intelligence agent and recommending approval by the president. With this piece of document we learned that Hoang Chi Tan was born in 1936; his native place was Village C, District T, Province Y; and his wife was S and they had three children. On the sheet there was his identity card picture.

We also found a handwritten application made by Hoang Chi Tan volunteering to be an intelligence agent for the enemy, along with fingerprint and identity sheets in conformity with the CIA recruiting procedures.

With the above-mentioned address, we went to Village C, District T, Province Y but we were unable to find anybody of the name of Hoang Chi Tan. There only was a man named Ngo Tien Son who had gone to B in 1968 and whose wife was S. Mrs S was not a native of District T, but her native place was Son Tay, where we went and learned that she and her three children had gone to City Y. On the wall we saw a framed letter of commendation bearing the name of Ngo Tien Son and a photo at the corner. An interesting finding was that as we compared two photos, Son and Tan were the same man.

It was around 1700 hours when Mrs S came home from work. After a local cadre introduced us to her as Son's friends from his old unit coming to pay a visit, she cheerfully let us know that her husband was now working under assignment in Province T and that although he had not had an opportunity to go home lately, he had just written home to say that he would be home within a short time.

Later Mrs S wrote her husband about his friends from the old unit soon going to Province T to see him and sent him some supplies. With the supplied address, we went to look for Ngo Tien Son. In the conversation we learned that Son was captured by the enemy on 24 July 1969 in a battle in which our base was overrun. In jail Son still kept his revolutionary spirit and made no statement to the enemy. In March 1973, after the signing of the Paris accords, they returned to us Son and many other, who had been captured by the enemy during the resistance against America for national salvation. Later Son

was returned to his old unit and then transferred to a job in a vocational school in Province T. His wishes were to be able to go to the North early and to be issued a document certifying that he was a party member before he might be captured by the enemy so as not to lose any political benefits.

Following our meeting with him and a reconsideration of the documents we had gathered, we knew that Ngo Tien Son still deliberately concealed his being an enemy agent. According to a scheme approved by superior authorities, Son was arrested while he was on his way to the North.

In the jail, Ngo Tien Son gave meticulous details about his capture by and surrender to the enemy and his being tested and recruited by the CIA, which trained him hard for 3 long years in spying and using communications means, including the Americans' modern equipment. They defined for Son the ways to get in touch with the American intelligence center and made him memorize secret signs and passwords to recognize CIA people in repeated encounters under various circumstances. The American intelligence commanders in Saigon had assigned Son the task of finding every possible way to climb high, to creep deeply, and to put up a good cover for himself in the army or public security network in order to operate for a long time, for the purpose of serving the American imperialists' postwar plans in Vietnam.

5598

CSO: 4209/244

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

COUNTERFEIT MEDICINE IN HANOI--The medicine market has not been managed as well as it should. Many varieties of tablets and vials of medicine were displayed everywhere on the sidewalks of many streets in Hanoi such as Hang Chieu, Hang Ma, and in Dong Xuan and Bac Qua markets. Most worrisome was the fact that, exhibited in flat baskets of private merchants, I have seen many vials of medicine with expired dates, many vials of B1 and B2 vitamins without labels whose contents had turned turbid, and scores of foreign-made boxes containing certain tablets whose source or proper use nobody knew. However, many people still wanted to buy those medicines and did not care about the consequences. On 29 September, the Vietnam-Sweden Children's Hospital provided emergency care for an 8-month-old child for drug poisoning. A relative stated that the infant had been given an antibiotic labeled with a red and black chrysalis head and bought from one of those medicine peddlers. Doctors tried to no avail to save the child's life. We need to take all necessary actions to put an end to this uncontrolled medicine peddling. [Text] [Hanoi NHAN DAN in Vietnamese 10 Dec 85 p 2] 9458/12795

CSO: 4209/234

INTERNATIONAL RELATIONS, TRADE AND AID

SCIENCE-TECHNOLOGY COOPERATION TALKS WITH USSR

Hanoi QUAN DOI NHAN DAN in Vietnamese 5 Dec 85 p 1

[VNA news release: "Vietnam-Soviet Union Cooperation in Science-Technology"]

[Text] The Vietnam-Soviet Union Scientific and Technical Cooperation Subcommittee held its second session in Hanoi on 2 days, 2 and 3 December. The Vietnamese delegation was led by Le Quy An, vice chairman of the State Science and Technology Commission; the Soviet delegation by V.A. Daria, vice chairman of the Soviet Union Section.

Some good results were obtained from carrying out the cooperation plan in the 1981-1985 period, especially in such sectors as agriculture, electric power, coal mining, meteorology and hydrography, survey and mapping, and so on. In the next 5 years, from 1986 to 1990, our country and the Soviet Union will continue to agree on other cooperation subjects on the basis of the long-term program of cooperation in science and technology signed by the two governments, with particular attention being paid to increasing the subjects mentioned in the general scientific and technical progress program applicable until the year 2000 to the CEMA member countries.

During its participation in the meeting and visit to our country, the delegation of the Soviet Union was cordially received by Vo Nguyen Giap, vice chairman of the Council of Ministers. Also attending the reception were Dang Huu, alternate member, CPV Central Committee; Le Quy An, vice chairman, State Science and Technology Commission; and Nguyen Van Huong, deputy director, Office of the Council of Ministers.

5598  
CSO: 4209/244

10 March 1986

## INTERNATIONAL RELATIONS, TRADE, AND AID

## BRIEFS

CEMA BANKING DELEGATION--At the invitation of the Vietnam National Bank, a delegation of the CEMA International Economic Cooperation Bank led by (Bindee Gardere), chairman of the bank's Executive Committee, has paid a friendly visit to and worked with the Vietnamese banking sector. On 13 February at the government guest house, Comrade Tran Quynh, member of the party Central Committee and vice chairman of the Council of Ministers, received and held cordial talks with Comrade (Bindee Gardere) and his entourage. Comrade Tran Quynh sincerely thanked the CEMA International Economic Cooperation Bank for its past assistance to Vietnam in the economic and credit spheres. He expressed the hope that cooperation between the CEMA International Economic Cooperation Bank and the Vietnam National Bank will be developed consistently. Comrade Nguyen Duy Gia, director general of the Vietnam National Bank was also present at the tasks. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 13 Feb 86 BK] /8918

OUTER SPACE PEACE EFFORTS--Exchanges of views ended at the Scientific and Technical Subcommittee of the Committee for Peaceful Use of Outer Space at the UN headquarters on the afternoon of 11 February. Speaking at the 11 February session, Truong Trieu Luong, Vietnamese representative to the committee, expressed his satisfaction over the UN efforts in carrying out the program on the use of outer space, as well as the recommendations of the second UN Conference on the Exploration and Peaceful Use of Outer Space. He stressed Vietnam's efforts in its cooperation with other countries and UN agencies in surveying and using outer space for economic, scientific, technological, educational, and cultural developments. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 14 Feb 86 OW] /8918

CSO: 4209/304

ECONOMIC PLANNING, TRADE AND FINANCE

HO CHI MINH CITY FIRMS ECONOMIC LINK WITH NAM BO PROVINCES

Hanoi NHÂN DÂN in Vietnamese 30 Nov 85 pp 1, 4

[Article: "Ho Chi Minh City and Nam Bo Provinces Push Forward Economic Association"]

[Text] Recently, representatives from the Nam Bo provinces and Ho Chi Minh City met in the latter to discuss ways to accelerate economic association and unify measures designed to speed up production growth, improve distribution and circulation, vigorously foster exports and imports, stabilize the financial and monetary situation, strive to control merchandise and money and stabilize the livelihood of cadres, workers, civil servants and the laboring people in compliance with the resolution of the Eighth Plenum of the CPV Central Committee (Session V).

Nguyen Van Linh, CPV Central Committee Political Bureau member and Ho Chi Minh City party committee secretary, presided over the meeting. In attendance were party committee secretaries and people's committee chairmen of all Nam Bo provinces as well as Dong Si Nguyen, Political Bureau alternate member, Council of Ministers vice chairman and Communications and Transportation minister; Vu Dinh Lieu, CPV Central Committee member and Council of Ministers vice chairman; several ministers and vice ministers and representatives of central and provincial committees and sectors.

According to the meeting, facts have shown that it is necessary to continue to accelerate regional economic association in both production and distribution and circulation and that it is now all the more necessary to do so since people are determined to successfully implement the resolution of the CPV Central Committee Eighth Plenum, guided by revolutionary aggressiveness and the need to serve production, livelihood, and the nationwide revolutionary undertaking. The provinces and city should strengthen mutual help and coordination to speed up production growth. The provinces should supply more raw materials, mostly agricultural food products and industrial crops, to the city to create favorable conditions for the latter to foster its still untapped industrial production potential and speed up exports to import raw materials for production. Interests of all parties involved should be met in a rational and satisfactory manner. Party committee echelons and administration officials in all provinces and city should urgently and strongly guide installations to actively find ways to reduce manufacturing costs--an area in which much more can be done. Those

provinces with strengths in agricultural and marine products should actively engage in production, properly discharge their tax obligations to the state and contribute to increasing exports. The provinces and city should focus their imports on raw materials, equipment, and spare parts which they are short of or lack altogether, and should review consumer imports and launch a wide-spread campaign to stimulate the people to display their socialist patriotism by using domestic products.

They should resolutely improve distribution and circulation, first of all within their own areas, and firmly slash or remove cumbersome and troublesome regulations and procedures and intermediary links, including control stations, to speed up and ease interprovincial commodity flow. They should earnestly implement contracts signed in 1985, in which the needs of the forthcoming Lunar New Year of the Tiger were spelled out. As regards distribution and circulation, they should reexamine selling prices to set appropriate purchasing prices with a view to ensuring producer ability to cover manufacturing costs and make a profit, consumer acceptance and support, and state ability to accumulate capital. The provinces, wards, and districts should base their relationships on equality and mutual profitability and should refrain from chasing free-market prices. They should find every possible way to lower circulation costs, including attempts to increase shipment frequencies, adopt two-way transportation, slash intermediary links, expand direct exchanges among socialist trade local agencies, and reduce, on the path toward eliminating, illegitimate and irrational expenditures. They should carry out bilateral settlement formulas in the fastest and most flexible manner to enable the state to quickly recover its investments; and should control more and more goods and eradicate long-distance private commerce. Provincial and municipal state banks should promptly ameliorate settlement formulas and resolutely switch to socialist business.

Concerning market transformation and management, the localities should closely and harmoniously coordinate to expand socialist commerce, control wholesale trade and dominate retail trade and should battle internal negative phenomena and firmly punish those engaged in undermining the economy, political security, and social order, paying special attention to concerted attacks on ringleaders and their hideouts and organizations.

9213/8918

CSO: 4209/226



## ECONOMIC PLANNING, TRADE AND FINANCE

### UTMOST EFFORTS TO BE MADE TO REDUCE PRODUCTION COSTS

Hanoi QUAN DOI NHAN DAN in Vietnamese 6 Dec 85 pp 1, 4

[Editorial: "Striving To Reduce Costs of Products"]

[Text] Production cost is the money representation of all of the expenses necessary to make a unit product. It determines product prices. It is a norm that reflects the overall results of production and business of a unit. To reduce the costs of products is a condition that determines accumulation for expansion of production, increases the contributions to the state and the income of collectives, and improves the living standard of cadres, combatants, workers, and civil servants. Therefore, to strive to reduce production costs is a permanent demand in production and the correct norm that reflects the effectiveness of the task of renewing economic management. At present, to carry on the socialist business and the correct calculation and inclusion of all expenses in the costs makes the latter greatly increase, and to make adjustments to raise the prices of some products is a necessity. Therefore, in order to reduce production costs and to stabilize the living conditions of cadres, workers, and civil servants, what is of decisive significance is that production units all over the country in general, and defense enterprises in particular, must actively strive on their own initiative to gradually reduce production costs.

The cost of a product consists of expenses of many kinds ranging from wages, expenses for raw materials and fuels, depreciation of equipment and machinery to spending in connection with management and other expenses having to do with the unit's activities. Some units also include in costs many expenses that are not necessary for production. To strive to reduce costs of products first of all requires that all units review and firmly reject any inappropriate expenses that have been included in costs due to negative reasons and have so far accounted for a rather large part of the costs. In the costs of many kinds of products, expenses in connection with labor, raw materials, fuels, and depreciation of fixed assets are the ones that account for the largest part of the costs. Therefore, to reorganize production, to reduce indirect labor, to increase direct labor, to use more fully the labor force, and to raise the capacity of machinery has a very important meaning for the efforts to reduce production costs. The recent efforts of units in the defense industry to achieve improvement of management have shown their great ability to raise the capacity of their equipment and machines and to use labor more

rationally and fully. Some units were able to raise the level of using equipment and machines from 40-50 to 70 percent as they invested more in making new products; others did away with many intermediary links, reduced by nearly 50 percent their indirect labor and transferred it to direct production, boldly rearranged the use of labor to suit the capabilities and health of individuals, took away incapable workers from the main assembly line and either trained them to raise their skills or put them in the making of secondary products, and thus succeeded in raising labor productivity and product quality.

In the efforts to reduce production costs, the application of scientific and technical progress to production has a decisive significance. Scientific and technical progress permits replacing scarce and expensive raw materials with available and inexpensive ones, lowering the material loss norms, raising product quality, and at the same time finding new lines of products in order to expand production. Consequently, in order to reduce costs of products, all units must attach importance to proper investment, create favorable conditions for properly applying new scientific and technical achievements, and attach importance to maintaining and properly developing the movement to promote initiative and technical improvement within their units, for the purpose of aiming every effort at properly using the capacities of equipment and machinery, and labor. To strive to reduce production costs really is to save production expenses. Let us save from the major expenses to the smallest ones; let us save every kilogram of iron, every liter of gasoline and oil, every dong of capital, and every working day and hour of labor.

To reduce production costs is everybody's responsibility. Every person, in the course of his labor and in his actual position, must develop a sense of responsibility, take initiative, be creative, always learn from experience, try to save as much as possible materials and labor, and ceaselessly strive to raise labor productivity. To reduce production costs means to firmly eliminate any excessive spending, such as giving stipends, feasting, holding receptions, giving gifts, and deliberately awarding bonuses and rewards. This is the most realistic action we may take to contribute to reducing production costs and successfully carrying out the resolution of the Eighth Plenum of the CPV Central Committee--quickly switching production of every unit, as well as the economy as a whole, from state subsidies to economic accounting and socialist business.

5598

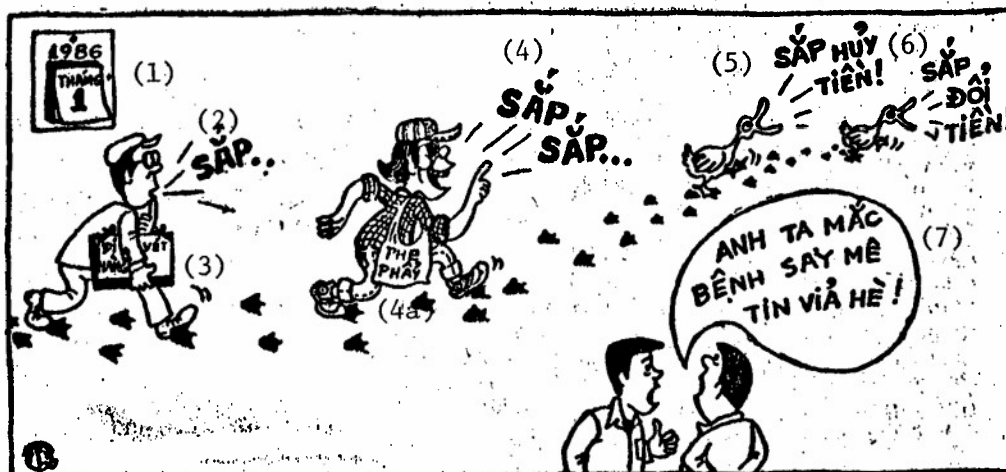
CSO: 4209/244

ECONOMIC PLANNING, TRADE AND FINANCE

RUMORS OF CURRENCY DEMONITIZATION, CONVERSION DERIDED

Hanoi NHAN DAN in Vietnamese 12 Jan 86 p 1.

[Cartoon]



Key:

1. 1 January 1986
2. They're going to...
3. Hoarder
4. They're going to, they're going to...
- 4a. Speculator
5. They're going to demonitize the currency
6. They're going to convert the currency
7. They're really hooked on rumors

[Note: the ducks = canard]

/8309

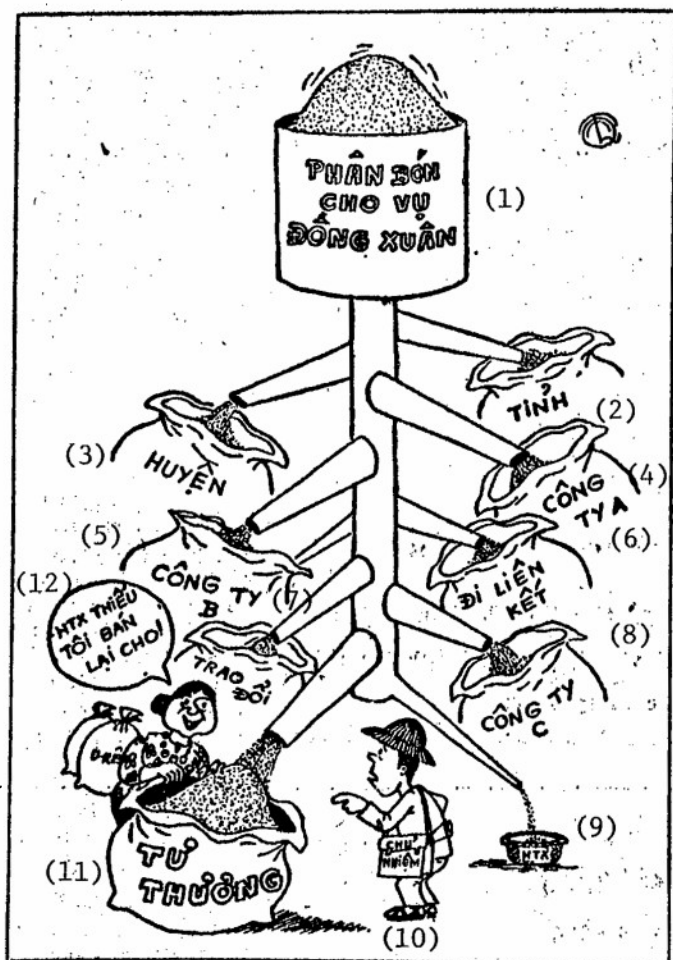
CSO: 4209/317

ECONOMIC PLANNING, TRADE AND FINANCE

LARGE SCALE DIVERSION OF FERTILIZER FROM COOPERATIVES DEPLORED

Hanoi NHAN DAN in Vietnamese 12 Jan 86 p 1

[Cartoon]



Key:

1. Fertilizer for the winter-spring crop
2. Province
3. District
4. Corporation A
5. Corporation B
6. Lateral transfers
7. For authorized exchange
8. Corporation C
9. Cooperatives
10. Cooperative manager
11. Private business
12. If your cooperative is short I will sell you some
13. The road over which agricultural materials travel

(13) Đường đi của vật tư nông nghiệp.

/8309

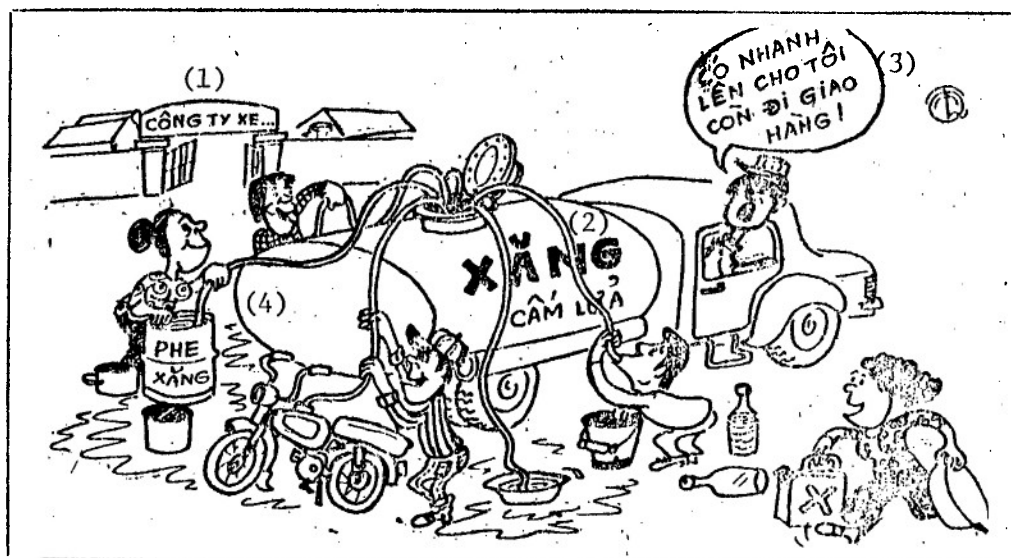
CSO: 4209/317

ECONOMIC PLANNING, TRADE AND FINANCE

WIDESPREAD ILLEGAL GASOLINE SALES PERSIST

Hanoi NHAN DAN in Vietnamese 19 Jan 86 p 1

[Cartoon]



Nguồn nhiên liệu dôi dào. (5)

Key:

1. Truck corporation
2. Gasoline. Inflammable
3. Hurry up. I've still got to make my delivery
4. Gasoline speculator
5. A rich source of gasoline

/8309

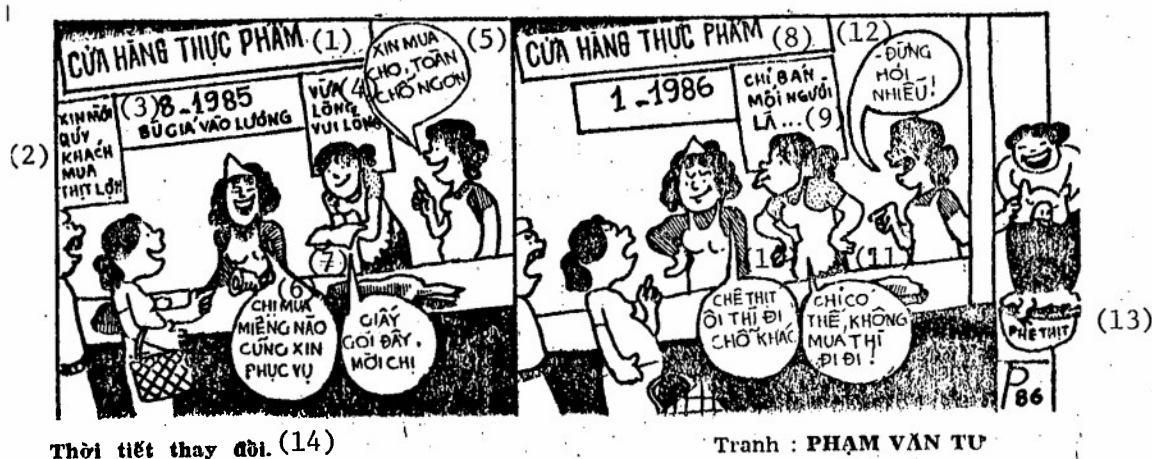
CSO: 4209/317

ECONOMIC PLANNING, TRADE AND FINANCE

GRASSROOTS FAILURE OF ECONOMIC REFORMS ILLUSTRATED

Hanoi NHAN DAN in Vietnamese 19 Jan 86 p 1

[Cartoon]



Key:

1. Food retailer
2. Buy your pork here
3. Price subsidies to wages
4. We are happy to please you
5. Please buy some, it's all delicious
6. We are happy to sell you any cut you want
7. Let me offer you some wrapping paper [vendors prefer to save on wrapping paper]
8. Food retailer
9. Each customer is allowed to purchase only...
10. If you don't like our meat go somewhere else
11. That's all we have. If you don't want to buy any get out.
12. Don't ask some many questions [as she sneaks meat out to meat speculator]
13. Meat speculator
14. The climate changes

/8309

CSO: 4209/317

## AGRICULTURE

### HAIPHONG STRIVES TO LOWER AGRICULTURAL PRODUCTION COSTS

Hanoi NHAN DAN in Vietnamese 6 Dec 85 p 2

[Article by Minh Son: "An Important Measure Taken by Haiphong To Lower Agricultural Production Costs; In-Depth Investments, Effective Application of Intensive Cultivation Measures; In High-Yield Intensively Cultivated Fields, Rice Output Increases 14.5 Quintals Per Hectare, Production Cost of 1 Kg of Paddy Is Down 17.5 Percent Compared with Other Areas of Normal Production"]

[Text] Along with increasing grain output, the effort to lower agricultural production costs, especially that of 1 Kg of paddy, is seen as the most important goal of the Haiphong CPV organization's and people's revolutionary action program aimed at successfully implementing the resolution of the Eighth Plenum of the CPV Central Committee, Resolution 28 of the Political Bureau and other resolutions of the sixth and seventh plenums.

To best attain that goal, suburban agricultural cooperatives, simultaneously with perfecting the production management system, have paid attention to in-depth investment and to timely and correct application of technical advances to coastal ricefields. The director of Quang Phuc Cooperative in Tien Lang District has substantiated this finding with facts. Consider two pieces of land located on the same field, sharing the same soil conditions and accommodating the same crops. Paddy production cost was estimated at 2.6 dong per Kg in the plot where additional quantities of fertilizer and technical measures were homogeneously applied, contrasted with 3.25 dong in the untreated plot. Likewise, statistics on 232 production units in 22 cooperatives, composed of 16,000 families applying intensive cultivation methods on (2,000) hectares of land, show that output there has increased 14.5 quintals per hectare and that paddy production cost has decreased 17.5 percent, compared with nonintensive farming areas. In Tien Phong Cooperative (Vinh Bao), paddy production cost has decreased 0.95 dong per Kg. In other cooperatives engaged in high-yield intensive cultivation, paddy production cost has also gone down from 0.5 dong to 0.9 dong per kg, compared with nonintensive farming areas.

#### How Are Technical Advances Brought into Ricefields?

To exploit its existing labor, land, sector, profession, material, and technical base capabilities, first of all Haiphong has acquired the effective assistance of the Ministry of Agriculture, the Agricultural Chemistry and

Pedology Institute and the Agricultural Science and Technology Institute, in surveying 22 cooperatives in 6 suburban districts to explore and assess soil potential and determine the best high-yield intensive-farming method for each zone, using these data as a basis for effective areawide guidance.

In light of the intensive-farming processes encompassing soil preparation, seed selection, and crop nursing developed by scientists, the city has launched a revolutionary movement to stimulate the masses to foster their right to collective mastery by applying technical advances to their land. Meetings attended by party members and nonparty participants were held by cooperatives to study and discuss ways to effectively carry out the high-yield intensive-farming program. Twenty-two engineers were sent by the agricultural service and the center on rice varieties into cooperatives to direct high-yield intensive cultivation, spending one-half of their time in laboratories and the remaining one-half in ricefields to help the masses understand and trust technical measures, the application of which is profitable to both laborers, the application of which is profitable to both laborers and society. Guidance committees were set up in the city, districts and cooperatives and their work has taken root. These committees have assigned cadres to each field and met twice a week in case of emergency to solve problems on the spot. As an incentive, the city has sold additional quantities of fertilizer at lower cost to high-yield intensive-farming areas. Agricultural supply corporations have sent adequate quantities of provisions to cooperatives on schedule, according to contracts.

Areas engaged in high-yield intensive cultivation have paid attention to water conservancy. More than 50,000 working days were mobilized to excavate and build over 40,000 cubic meters of earth, building fields and gardens, dredging ditches and water troughs, digging and building new ditches, and reinforcing field and plot embankments, thus enabling irrigation water to reach the fields, soil preparation to be better, sowing and transplanting to be on schedule, and other measures to be carried out well.

In sum, guidance of high-yield intensive cultivation is focused on:

1. Using 100 percent of high-yield new varieties on suitable soil and nursing and protecting them according to variety characteristics.
2. Using more stable manure coupled with balanced amounts of fertilizer in accordance with the following schedule--main fertilizer, additional fertilizer, then applying fertilizer when rice is about to boot.
3. Transplanting in line with density rules--usually 56 clusters of rice-plants and more per square meter.

#### Conclusions Drawn from Ricefields

Several conclusions may be drawn from what happened in Haiphong ricefields. First, 2,000 hectares devoted to high-yield intensive farming in 22 cooperatives have achieved low production cost and high output, averaging 57.5 quintals per hectare over that from other normally cultivated fields. Output



has attained from 61 to 65 quintals per hectare in four cooperatives--Tan Lien, Tien Phong, Vinh Phong (Vinh Bao) and Quang Phuc (Tien Lang)--from 55 to 60 quintals in seven cooperatives and from 73 to 75 quintals in eight cooperatives. Hundreds of families have exceeded 75 quintals. It is worth mentioning that Tan Lien Cooperative in Vinh Bao has grown from an average place into the flag-bearer of the Haiphong intensive-farming movement, gathering 11 tons per year from 100 hectares.

The above results played an important role in raising yield in Haiphong to more than 7 tons of paddy per hectare in 1985--the highest figure ever. Investment efficiency was also encouraging. Paddy output has increased by 100 to 170 tons in 11 out of 20 cooperatives engaged in high-yield intensive farming. The whole intensive-farming area has added to its granary 2,320 tons of paddy, valued at 5.8 million dong (new currency). In return for a 59.8-dong additional investment in 1 sao of intensively cultivated land, plus double manpower, Tien Phong Cooperative (Vinh Bao) has produced 254 Kg of paddy per sao, compared with 158.8 Kg for normally cultivated neighboring plots. Paddy production cost has decreased nearly 1 dong per Kg in intensive-farming areas.

Second, experiences in high-yield intensive-farming areas show that through proper implementation of technical measures alone--not to mention expensive investments--Haiphong can achieve a consistent yield from 4 to 5 tons of paddy per hectare in the fifth month spring crop.

Third, to attain across-the-board high output, we must develop a technical process suitable to local soil conditions, especially variety characteristics, planting density, and fertilization requirements.

Fourth, we must do everything to disseminate technical knowledge to contract laborers, enable technical cadres to stay close to cooperatives and ricefields, carry out the intensive cultivation program, foster joint responsibilities, and pay attention to the end product. Those engineers assigned to cooperatives have received, aside from their salaries, a 20-dong monthly municipal subsidy and a bonus set by cooperatives reflecting the size of overfulfilled norms.

Fifth, we must mobilize the combined strength of the whole city, mostly those forces directly involved in agricultural production, to effectively take part in the guidance and coordination process while securing the adequate assistance of central and local scientists and of scientific research and application institutes in speeding up high-yield intensive cultivation.

Encouraged by the track record of 2,000 hectares of high-yield intensive cultivation last season, Haiphong in preparation for the coming fifth-month spring crop, will expand intensive farming areas to 30,000 hectares--69.7 percent of total acreage--and strive to turn out an average 45 quintals per hectare on all fields and 60 quintals on 10,000 high-yield intensively cultivated hectares. Intensive farming areas alone will produce 150,000 tons of paddy per season.

## Several Key Measures

To attain these goals, Haiphong is urgently guiding the people to continually perfect the new contract system, rearrange and reorganize the agricultural service network from city down to basic installations, reinforce guidance committees in high-yield, intensive rice-cultivation areas and make them efficient. As immediate tasks, the city is reviewing material and technical bases dealing with varieties, soil, and fertilizer, and is determining and ameliorating appropriate high-yield intensive cultivation methods. The city is stimulating district-based banking, supply, and agricultural irrigation agencies and plant insurance corporations to treat the effort to raise paddy output and lower production costs as their most important goal.

Other important measures--accelerating circulation and processing of agricultural citywide--are also being seen as a prime mover of production growth.

Haiphong is confronting a fairly pressing problem, about which 22 cooperative directors voiced their concern at a recent municipal meeting to review the development of intensive-cultivation areas for high-yield rice. First, the grain sector keeps purchasing paddy according to seasons and not on a regular basis as it does other commodities. Peasants often are reluctant to sell during productive seasons; on the contrary, at other times when they want to sell they find no buyers. Second, purchasing prices are still low. With prices of various supplies increasing 10-fold and paddy prices in the free market being much higher than those set by the state, it is hard to persuade peasants to sell all their paddy surpluses to the state. This is not to mention unreliable transactions and lingering debts. Third, quite a few pigs adequately grown and ready to leave the cooperatives' pens have been vainly waiting for state purchasing agents.

Besides their concern about the above staple commodities, peasants we met in some cooperatives have expressed other worries. Bat Trang Village in Kien An District with more than 2,000 litchi trees and 20 hectares of sugarcane, is a case in point. Litchi is mostly purchased by private merchants when it is still green on the tree. Ripe fruit is picked and then to the market for sale and unsold quantities are summarily processed and dried on the spot before being sent aboard the ship Thong Nhat to the south for sale. Each year, the village can produce 60 tons of sugar; nevertheless, it often hires workers from other places to build processing ovens, paying them in kind--one-fourth of the raw materials--which they subsequently sell on the unorganized market. We know that tens of mechanical enterprises in Haiphong endowed with strong labor force and material bases have begun to rearrange production. In some of them, hundreds of workers lay idle along with considerable machinery and equipment. In others, less than 50 percent of the enterprise's capacity was used. Consequently, the Haiphong industrial sector will serve agriculture more practically and effectively by processing agricultural food products. Roads linking the city to the countryside also provide food for thought. No fast commodity flow is possible without solving the communication problem.

It takes an automobile less than 15 minutes to go from the center of the city to Kien An District--an 11-km trip--but 75 minutes to cover the same distance from that district to the villages. With good traffic conditions, the relationships between the city and its rural areas will certainly take a turn for the better.

AGRICULTURE

BRIEFS

GRAIN WASTE--Going into rural areas, we often saw hamlets wastefully making moonshine and pastry from rice at a time when the grain situation in many localities was very tense. In Hy Son (Nghe Tinh), at first only six families slyly distilled liquor. Later, many families entered that very profitable business since no one was prosecuted, causing the number of moonshiners to shoot up. Currently, of 100 households in the hamlet, 80 are engaged in liquor distillation and trade. At the beginning, sugarcane honey was used, now rice is the main ingredient. Some families ferment from 30 to 40 Kg of rice a day. Sweet fried cakes are made from corn or rice in Van Thu (Hai Hung). People work all day long without interruption, turning out a ball of cake every 6 or 7 minutes. Each ball uses from 0.9 to 1.2 Kg of corn or rice. Thus a small cakemaker uses 60 to 80 Kg of corn or rice a day and a big cakemaker, from 120 to 150 Kg. All in all, 10 households in that hamlet use 1 ton of grain a day just to make sweet cakes for children. Going into rural areas, we will see many other small hamlets wasting rice just like Hy Son and Van Thu. [Text] [Hanoi NHAN DAN in Vietnamese 6 Dec 85 p 2] 9213/8918

NEZ GETS 3,240 FAMILIES--Since the beginning of the year, the delta districts of Ha Son Binh Province have mobilized 3,240 families comprising 14,693 persons and including 7,650 workers to new economic zones in mountainous areas. Of nearly 2,000 hectares of land distributed, the new families planted 1,154 hectares of grain and over 500 hectares of beans, peanuts, sugarcane, and betel. Mountainous districts have resurveyed their lands, completed and improved their production plans, organized working groups in charge of improving facilities, provided guidance for the integration of agricultural and forestry activities, and planted over 8,000 hectares of betel. Nevertheless, hilly and forest lands have not been well managed and used, forest-destruction practices were still lingering, and betel planting was done impetuously and lacked good management, resulting in a low survival ratio of the plant, although it was planted in large areas. [Text] [Hanoi NHAN DAN in Vietnamese 10 Dec 85 p 1] 9458/12795

CSO: 4209/234

## LIGHT INDUSTRY

### EDITORIAL URGES STEPPING UP CONSUMER GOODS PRODUCTION

Hanoi NHAN DAN in Vietnamese 10 Dec 85 pp 1, 4

[Text] The party industrialization policy in the first phase of the transitional period is "to concentrate on agricultural development, to consider agriculture as the forefront; to upgrade agriculture in the context of greater socialist production; to step up consumer goods production, and to continue the strengthening of certain key heavy industry sectors; to integrate agriculture with the consumer goods industry and with heavy industry to build a rational agriculture-industry structure."

Comprising the food industry and other light industry sectors, the consumer goods industry plays a very important role. It employs large numbers of social labor, increases the value of agricultural products, manufactures staple commodities that contribute to the stabilization of the people's living conditions and allow the state to dispose of sources of goods in its trade with the farmers and to stimulate agricultural production, and supplies a large variety of export commodities, bringing large income for the state budget. After the promulgation of the new price, wage, and money policy, boosting consumer goods production has become an even more pressing need. It contributes to reducing the budget deficit and enables the state to get hold of commodities and money, to control prices and the market, and to progress toward financial and fiducial stabilization.

Because of a variety of subjective and objective causes, consumer goods production has recently been increasing slowly, and in some instances, even declining or stagnating because of the unavailability of prices, capital, or electricity. Our capabilities in consumer goods production have been put to work at only approximately 50 percent. Goods shortages which should not have occurred still prevail here and there with all their harmful ramifications. Those weaknesses unduly create difficulties for the state in its trade with the farmers, directly hamper agricultural production, and adversely affect the people's living conditions.

If we knew how to exploit our existing and latent potential, we would be able to address the totality of our needs in common consumer goods, primarily fabrics, paper, bambooware, wood products, plastics, ceramics and porcelain, and crystal. Thousands of articles of consumer goods exhibited at this year's economic-technical fair verified this capability.

We will need to join forces in mobilizing all available means from the industrial sector of both the central and local levels, chiefly those of the small industry and handicraft sector, to develop consumer goods production to the fullest extent. In making consumer goods, quantity should not be the only aim, because quality is equally important. Products must be good, durable, as attractive as possible, sold at reasonable prices, and accepted by the public.

It is high time that resolute and stringent measures be taken to solve problems in matters of coal, electricity, fuel, and raw materials in support of existing consumer goods production organizations, including state-operated plants and those of the small industry and handicraft sectors; to reorganize production and change management structures to develop the consumer goods industry both in width and in depth, from the central and local state-operated industry sector to rural and urban small industry and handicraft occupations and professions. The more consumer goods there are, the stronger the state economic posture is, and the better managed the market and prices.

Encouraging the full development of consumer goods production is a major policy of our party and our state. Let our people pay our share in the implementation of this policy by limiting the use of imported luxury goods, and by using domestic products. This is also a manifestation of our patriotism and our love for socialism.

In the first phase of our transitional period, in conjunction with the development of agricultural production, stepping up consumer goods production is strengthening the basis for building heavy industry, and contributing to the industrialization of our country.

9458/12795

CSO: 4209/234

LABOR

BRIEFS

LABOR DISTRIBUTION IN HANOI--Up to now, assisted by related sectors and levels, and with the active contribution of teachers and students of the College of Economics and Planning, the Hanoi Municipality has basically completed its plan for the distribution and use of social labor in 12 districts and towns. The municipal labor distribution plan was of great help for districts in having a good grasp of the potentials of land and labor, in determining intensive cultivation areas and capabilities for each variety of soil, in possessing accurate figures on population and labor to plan for labor investments in each cultivation and breeding project, and in determining the direction to follow and the development capabilities of local occupations and professions. The plan also enabled units to get hold of the quantity and quality of labor in their assigned areas, including units of central and municipal levels located in the district territory. Through the execution of the plan, it has been observed that labor distribution and use in district territory in past years was not quite rational and did not take into consideration the development needs of economic sectors. There was a lack of coordination in the use of labor belonging to sectors and zones, most labor has been used in agricultural production, primarily in the cultivation sector, chiefly rice planting, and training of skilled management cadres and laborers for districts and villages has been unsatisfactory. The current labor distribution plan assists the municipality in determining the direction to follow for labor investment in sectors in function of the objectives of the overall economic and social plan, and will enable economic sectors to develop harmoniously. [Text] [Hanoi NHAN DAN in Vietnamese 11 Dec 85 p 1] 9458/12795

CSO: 4209/234

POPULATION, CUSTOMS AND CULTURE

SETTING UP CHURCH CHOIR GROUP DENOUNCED AS WRONGDOING

Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Dec 85 p 2

[Article by Trong Hung: "'Church Choir' Group"]

[Text] It was learned that during Christmas the Catholic priest gave to the Bach Xa parish a gas lamp as a reward. It was a shiny made-in-China lamp. Lam, a church leader, boasted in front of a number of Catholics: "This is a lamp made by China. Nobody can find a second one like this even if he has tens of thousands of dong to spend."

Considering the fact that the lamp is a sacred and invaluable piece of property, one wonders why did Lam intend to bring it to the home of Dao Thi Van, a plain Catholic and widow who does uninteresting business, to let her keep it, which did arouse everybody's suspicion.

As this news reached border outpost 38 (Haiphong), its commander realized that this was a complicated matter which would need clarification.

In a winter, very cold morning, with very few pedestrians in the streets, people saw Lam carry a square cardboard box and walk through a shortcut to Thi Van's home. As he was walking, two children came over and asked him: "What do you have in that pretty box? Can we see it?"

"A box of firecrackers. Let me go, I am late already."

"Where do we set off these firecrackers this Christmas, sir?"

"This is a gas lamp," Lam opened the box, for he did not want them to keep asking questions.

Having waited for the two children to be out of his sight, Lam brought the box into Thi Van's home.

"My dear church leader," Thi Van said in a cheerful voice as she thought he was bringing her something good, "what are you bringing me?"

"Anything you want, but you have to wait until after Tet. Now I have something important I want you to do!"

"What? Why are you so slow to tell me what it is?"

"This is a reward from the parish priest," Lam said while taking the lamp out of the box, "and we assign you to keep it."

"What do I keep this valueless thing for?"

"Oh no, do not say so. The parish priest trusts you and gives you this sacred thing for you to engage in group activities."

"What group?"

"The church choir group which last year you were in charge of!"

"I am afraid of a warning from the authorities!"

"As the parish priest has told me," Lam explained as he saw that she was reluctant, "you are the only person who can do it. Because we are setting up a singing group, just as people set up artistic groups, I don't think the authorities will prohibit. They will praise us instead. Please accept. I'll discuss with the parish priest rewarding you appropriately for this!"

Encouraged by Lam's promise to get a reward, Dao Thi Van accepted to keep the lamp and began to go to every house and to persuade children to join the "church choir group." In less than 10 days, 50 families agreed to let their children join the group. In order to "normalize" this act, Lam told Thi Lam to bring the activities of the "church choir group" into the open.

That evening, in the backyard of the cooperative's storehouse, the lamp was lighted. Thi Van held a book in which she checked every child's name and then began to chant the bible. Lam at that time was sitting in a house in front of the place and observing. In the hymn that she taught the children today there were many sections which she had corrected and many others which she had added; therefore, the singing did not go very smoothly. At that very moment, the head of the local public security section entered. He asked Van a series of questions. She answered in an inaudible voice. Lam tried very hard to listen to them, but he did not hear anything. When he saw Thi Van surrender the list and the corrected hymn to the village public security chief, Lam shook his head repeatedly and quickly walked away.

The next morning, Father Q reprimanded Lam for having set up the "church choir group" without a permission from the authorities and without his opinion, which meant he had acted against the law and the church rules.

Things were then made clear: the newly-established organization that was the choir group was disbanded. Church leader Lam and Thi Van admitted their wrongdoing and pointed to Father Q as the person who had devised the scheme.

As to the reprimand that Lam received from the priest, the truth was as follows: Father Q had confided to a member of the congregation while walking with him from the church, "It was true that I had asked Lam to set up the 'choir group,' but I always suspected the way he would do things. Why did he



let two children see the lamp? Why did he let Thi Van carry the entire list of group members to the storehouse backyard, where she was caught red-handed. Was Lam stupid, or was he a lackey of the border guards? Consequently, because I knew they would be caught, I would like very much to deal them another blow as well!"

Those people who commit wrongdoings under the religious disguise cannot escape responsibilities and avoid being punished by trying to mislead people.

5598

CSO: 4209/244

POPULATION, CUSTOMS AND CULTURE

UNLAWFUL ALCOHOL DISTILLING IN THANH HOA REPORTED

Hanoi NHAN DAN in Vietnamese 10 Dec 85 p 3

[Article by The Nghia: "The Ton of Rice and the Bottle"]

[Text] The bottle? What is it worth talking about bottles? Beware! In certain localities, hundreds, maybe thousands of tons of rice are creeping into bottles. Let us examine the following figures. A cooperative in the outskirts of Thanh Hoa City harvested 450 tons of paddy in each crop but used over 200 tons of rice a year to distill alcohol. In certain districts, alcohol distilling has become a full-fledged occupation, and the saying goes: "If you want to buy good alcohol, go to this or that village." In three cities of the province with 4,300 business households, there are as many as 4,000 refreshment shops selling "homemade" alcohol. Every shop has a bottle of clear alcohol and a few bottles of colored liquors sold through state-operated businesses. "Homemade" alcohol is mostly distilled from rice. Out of 4 kg of rice, the distiller can make 3 bottles (of 0.65 liter each) of the bitter liquid. Therefore, more than 1 kg of rice crawls into each 0.65-liter bottle. Take 4,000 refreshment shops with a modest daily consumption of 1 bottle each, 4,000 kg of rice are already burned. In reality, the daily consumption at those shops is not 4 tons of rice, but two or three times that amount. Multiply the figure by 30 days a month and 365 days a year, with the conservative loss of 4 tons of rice a day, the three cities lose 120 tons a month and 1,440 tons a year. With an average consumption of 14 kg of rice a month, the substantial amount of rice could feed 110,000 persons. Notice that that loss is for only one district. If we extrapolate and think about what all 23 districts and cities in the province would have used in a year, we should realize that a huge amount of grain has made its way into the bottle, enough to feed an entire average district. Just the same, certain individuals are still arguing and will not let the bottle go. Drinkers and alcohol addicts naturally are its most vehement defenders. But strangely enough, certain nondrinkers, or worse, some women detesting alcohol, are taking sides for its protection. Why? Because they hoard grain and distill alcohol for profit. As a matter of fact, these individuals are unlawfully trading a commodity which is a state-controlled substance.

I had the occasion to visit a village that bore the nickname of the "alcohol basin" of its district. The air was filled with the burning odor of alcohol being distilled, the fragrance of fermented rice, and the sour smell of residue.

At a certain house, near the pig stall, stood a huge jar containing alcohol residue that looked like diluted pudding. Sixty to seventy percent of the households in the village distilled alcohol. Certain families hid three to four white and yellow alcohol containers under a bed. Certain others simply put alcohol in plastic bags.

A "professional" woman expertly told me about her techniques in distilling and stealthily selling alcohol:

"Aren't you scared of being arrested for distilling alcohol?"

A broad grin brightening her face, she said:

"The whole village does it, my friend, not this house alone. This has been going on for decades and nobody has ever bothered to come here to arrest the distillers."

She went on: "But it does not mean necessarily that people make alcohol publicly. They do it at 8 or 9 o'clock in the morning. Why that time? Because, by then, children are at school, and adults are also away, working in the fields." Her oldest daughter, age 14 or 15, went to school half days and peddled alcohol the rest of the day. She was equipped with a bicycle and a basket. In the latter, a couple of plastic containers, or a plastic bag containing alcohol, a bottle and a funnel. Where did she do her trade? One day, it would be Thanh Hoa City, and the next, Do Len. A little farther, it was Bim Son, where the product was sold entirely to restaurants selling noodle soup or vermicelli. Occasionally, she would "stagger her alcohol" to refreshment shops located along the asphalted road.

We chatted and the conversation turned out like a casual confidence shared with a road traveler asking for a drink, yet it contained details concerning force. I knew that the village had over 800 households but alcohol was distilled mostly in one of the hamlets. Others had just a couple of dozen families intermittently making alcohol for sale, not including those making it for their own use. Without having the opportunity to contact village authorities, I talked directly to some individuals in the village and obtained information about where the rice came from, and who supplied the yeast. That was the time the distillers bought and gathered local paddy, or made advance payments to people receiving rationed rice from the state to buy it. Naturally they scoured markets and warehouses to look for additional rice, even small amounts sold by farmers. With regard to yeast, a few families in this village made enough of it for local distillers and even sold some extra quantity to other places. Nevertheless, quite a few families went to province or district markets to buy yeast. At the Vuon Hoa markets in Thanh Hoa City, alcohol yeast could be found in bamboo baskets in large quantities. You can distinguish a piece of alcohol yeast by one side being as white as flour and the other covered with a layer of rice husks.

As we could see, even those people who could not stand the odor of alcohol argued for and protected the bottle because they were professional alcohol

distillers for profit. Therefore, since October 1985, the Thanh Hoa Provincial People's Committee has already issued a directive prohibiting alcohol distilling. The people and the cadres welcomed the timely decision. Before that, the police had carried out another directive effective 1 August, forbidding cadres and combatants to drink alcohol and beer in any circumstances. All those directives gained public support. The per capita grain distribution in Thanh Hoa is not yet high. The farmer has to struggle with the land and the elements to obtain and save each grain of paddy and each potato. Many sectors and professions dedicate their full energy to grain production, yet rice continues to be squandered.

Many people wondered why could it be that in a village or a district, so many people unlawfully made alcohol and wasted so much grain, and the village and district authorities did not take any action. Well, certain localities have realized the mistake and strictly prohibited alcohol distilling. Distilling kettles and other equipment were confiscated. But makers of yeast have been left untouched, and so have sellers of that product in markets. To totally eliminate the practice of unlawfully distilling alcohol, eradication measures must be uniformly taken by the government and mass organizations.

9458/12795

CS0: 4209/234

END